Registration No.: 201301022112 (1051942-D)

FOOD AID FOUNDATION

(Incorporated in Malaysia limited by guarantee and not having a share capital)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

BT & ASSOCIATES (AF002219)
CHARTERED ACCOUNTANTS

Registration No.: 201301022112 (1051942-D)

FOOD AID FOUNDATION
(Incorporated in Malaysia limited by guarantee and not having a share capital)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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FOOD AID FOUNDATION
(Incorporated in Malaysia limited by guarantee and not having a share capital)

TRUSTEES' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

The trustees hereby submit their report together with the audited financial statements of the Foundation for the financial year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Foundation are those relating to as non-profit organization that operate as a food bank with primary objective of providing basic food to charitable homes, rehabilitation centres, feeding centres, poor families and destitute. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Surplus for the financial year	891,972

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

DIVIDEND

No dividend shall be paid to the members of the Foundation as Foundation is a Company limited by guarantee.

TRUSTEES

The trustees of the Foundation in office at any time during the financial year and since the end of the financial year up to the date of this report are:

Chee Yew Guan
Mohamad Faisal Bin Ghazali
Abdul Karim Bin Hj. Yusof
Tung Ghee Meng
Zamzani Bin Abdul Wahab

SHARE AND DEBENTURES

The Foundation is a Company limited by guarantee and thus has no shares in which the trustee could have an interest, similarly, the Foundation has not issued any debentures.

TRUSTEES' BENEFITS

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

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

INDEMNIFYING TRUSTEES, OFFICERS OR AUDITORS

No indemnities have been given or insurance effected for, during or since the end of the financial year, for any person who is or has been the trustee, officer or auditor of the Foundation.

OTHER STATUTORY INFORMATION

Before the statement of receipt and expenditure and the statement of financial position of the Foundation were made out, the trustees took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there are no known bad debts to be written-off and that no allowance for doubtful debts is required; and

(b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

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

(a) which would necessitate the writing off of bad debts and providing of allowance of doubtful debts in the financial statements of the Foundation; or

(b) which would render the values attributed to current assets in the financial statements of the Foundation misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Foundation misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Foundation misleading.

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

(a) any charge on the assets of the Foundation which has arisen since the end of the financial year and secures the liability of any other person; or

(b) any contingent liability of the Foundation which has arisen since the end of the financial year.

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

In the opinion of the trustees, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Foundation for the financial year.

Registration No.: 201301022112 (1051942-D)

AUDITORS' REMUNERATIONS

Details of the auditors' remunerations are disclosed in Note 10 to the financial statements.

AUDITORS

The auditors, Messrs. BT & Associates, have expressed their willingness to continue in office.

Approved by the Board and signed on behalf of the Trustees

CHEE YEW GUAN
Trustee

MOHAMAD FAISAL BIN GHAZALI
Trustee

Kuala Lumpur
11 DEC 2020

Registration No.: 201301022112 (1051942-D)

FOOD AID FOUNDATION
(Incorporated in Malaysia limited by guarantee and not having a share capital)

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

The trustees of FOOD AID FOUNDATION state that, in the opinion of the trustees, the financial statements set out in page 8 to 29 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Foundation as at 30 June 2020 and financial performance of the Foundation for the financial year ended 30 June 2020.

Approved by the Board and signed on behalf of the Trustees

CHEE YEW GUAN
Trustee

MOHAMAD FAISAL BIN GHAZALI
Trustee

Kuala Lumpur
11 DEC 2020

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

I, CHEE YEW GUAN, the trustee primarily responsible for the financial management of FOOD AID FOUNDATION, do solemnly and sincerely declare that the financial statements set out on page 8 to 29 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the above named CHEE YEW GUAN)
at Kuala Lumpur on 11 DEC 2020)

CHEE YEW GUAN

Before me,

PESURUHJAYA SUMPAH
No. W 540
Dr. T. YOKHESWAREM
PhD, MBA
1-1-2019 – 31-12-2021
MALAYSIA

COMMISSIONER FOR OATHS

Unit A11-1 & 2, Megan Avenue 1,
No. 189, Jalan Tun Razak,
50400 Kuala Lumpur

BT & ASSOCIATES
CHARTERED ACCOUNTANTS (AF 002219)
特许会计师

B-5-2, Block B,
Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur.
Tel +6 03 2770 8068
Fax +6 03 2770 6337
Website www.btapartners.com.my

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOOD AID FOUNDATION (Registration No.: 201301022112 (1051942-D))
(Incorporated in Malaysia limited by guarantee and not having a share capital)

Report on the Financial Statements

Opinion

We have audited the financial statements of FOOD AID FOUNDATION, which comprise the statement of financial position as at 30 June 2020, and the statement of receipt and expenditure and statement of cash flows, for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 29.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 30 June 2020 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

The trustees of the Foundation are responsible for the other information. The other information comprises the Trustees' Report but does not include the financial statements of the Foundation and our auditors' report thereon.

Our opinion on the financial statements of the Foundation does not cover the Trustees' Report and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of the Trustees' Report, we are required to report that fact. We have nothing to report in this regard.

Branch
Seremban: No. 5-1, Jalan DM 1, Dataran Millennia, 70200 Seremban, Negeri Sembilan.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOOD AID FOUNDATION (Registration No.: 201301022112 (1051942-D))
(Incorporated in Malaysia limited by guarantee and not having a share capital)

Responsibilities of the Trustees for the Financial Statements

The trustees of the Foundation are responsible for the preparation of financial statements of the Foundation that give a true and fair view in accordance with Malaysian Financial Reporting Standard, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The trustees are also responsible for such internal control as the trustees determine is necessary to enable the preparation of financial statements of the Foundation that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Foundation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Foundation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Foundation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Foundation, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FOOD AID FOUNDATION (Registration No.: 201301022112 (1051942-D))
(Incorporated in Malaysia limited by guarantee and not having a share capital)

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

Other Matters

This report is made solely to the members of the Foundation, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BT & ASSOCIATES
AF002219
Chartered Accountants

TAN BAN TATT
3099/03/2022 J
Chartered Accountant

Kuala Lumpur
11 DEC 2020

FOOD AID FOUNDATION
(Incorporated in Malaysia limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 RM	2019 RM
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	5	328,278	367,347
Right-of-use assets	6	49,746	-
		378,024	367,347
CURRENT ASSETS			
Deposits and prepayment	7	61,928	86,928
Cash and bank balances		1,964,436	1,003,022
		2,026,364	1,089,950
TOTAL ASSETS		2,404,388	1,457,297
EQUITY AND LIABILITIES			
RESERVE			
General fund	8	2,342,999	1,452,071
NON-CURRENT LIABILITY			
Lease liabilities	9	2,485	-
CURRENT LIABILITIES			
Accruals		6,899	5,226
Lease liabilities	9	52,005	-
		58,904	5,226
TOTAL LIABILITIES		61,389	5,226
TOTAL EQUITY AND LIABILITIES		2,404,388	1,457,297

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

FOOD AID FOUNDATION
(Incorporated in Malaysia limited by guarantee and not having a share capital)

STATEMENT OF RECEIPT AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 RM	2019 RM
RECEIPTS			
Donation		2,515,668	847,618
LESS: DIRECT EXPENDITURES			
Event coupon		-	(30,000)
Event expenses		(179,093)	(247,823)
Purchase of food		(471,885)	(63,999)
Purchase of kitchen items		(31,763)	(7,734)
Purchase of printing and flyers		(4,963)	(4,796)
Purchase of T-shirt		(7,634)	(11,743)
Total direct expenditures		(695,338)	(366,095)
Gross income over direct expenditures		1,820,330	481,523
LESS: EXPENDITURES			
Administration expenses		(771,812)	(730,522)
Other operating expenses		(150,684)	(83,058)
Total expenditures		(897,834)	(332,057)
Finance cost		(5,862)	-
Surplus/(deficit) before tax	10	891,972	(332,057)
Income tax expense	11	-	-
Surplus/(deficit) for the financial year		891,972	(332,057)

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

FOOD AID FOUNDATION
(Incorporated in Malaysia limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) before tax	891,972	(332,057)
Adjustments for:		
Depreciation of plant and equipment	87,947	83,058
Depreciation of right-of-use assets	62,737	-
Interest expense	5,862	-
Operating profit/(loss) before working capital changes	1,048,518	(248,999)
Decrease/(increase) in receivables	25,000	(67,085)
Increase/(decrease) in payables	1,674	(82)
Decrease in amount due from a trustee	-	103
Net cash generated from/(used in) operating activities	1,075,192	(316,063)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of plant and equipment	(48,878)	(260,665)
Net cash used in investing activity	(48,878)	(260,665)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(5,862)	-
Repayment of lease liabilities	(59,038)	-
Net cash used in financing activities	(64,900)	-
Net increase/(decrease) in cash and cash equivalents	961,414	(576,728)
Cash and cash equivalents at beginning of the financial year	1,003,022	1,579,750
Cash and cash equivalents at end of the financial year	1,964,436	1,003,022
Cash and cash equivalents comprise:		
Cash and bank balances	1,964,436	1,003,022

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

1 GENERAL INFORMATION

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

The registered office is located at No. 18-3 Jalan PJU 8/5C, Damansara Perdana, 47820 Petaling Jaya, Selangor.

The principal place of office is located at No. 9, Jalan 7/118B, Desa Tun Razak, Cheras, 56000 Kuala Lumpur.

The principal activities of the Foundation are those relating to as non-profit organization that operate as a food bank with primary objective of providing basic food to charitable homes, rehabilitation centres, feeding centres, poor families and destitute. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Foundation are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Foundation is Ringgit Malaysia as the sales and purchases are mainly denominated in Ringgit Malaysia and receipts from operations are usually retained in Ringgit Malaysia and funds from financing activities are generated in Ringgit Malaysia.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Foundation:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 9, *Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - Interest Rate Benchmark Reform*
- Amendments to MFRS 101, *Presentation of Financial Statements - Definition of Material*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendments to MFRS 16, *Leases - Covid-19-Related Rent Concessions*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases - Interest Rate Benchmark Reform, - Phase 2*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

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

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

The Foundation plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable in respective financial years when the above accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Foundation upon their first adoption.

2.3 BASIS OF MEASUREMENT

The financial statements of the Foundation have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

2.4 USE OF ESTIMATES AND JUDGEMENT

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 4 to the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Foundation.

3.1 PLANT AND EQUIPMENT

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation of plant and equipment is depreciated on a straight-line basis to allocate the cost of the plant and equipment over their estimated useful lives at the following annual rates:

	Rate
Kitchen equipment	10%
Machine	20%
Motor vehicles	20%
Office equipment	10%
Renovation	10%

The estimated useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the statement of comprehensive income.

3.2 FINANCIAL INSTRUMENTS

i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Foundation become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

ii) Financial instrument categories and subsequent measurement

The Foundation categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Foundation change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

- ***Amortised cost***

  Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

- ***Fair value through profit or loss***

  All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Foundation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 3.4(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

- ***Fair value through profit or loss***

  Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

  On initial recognition, the Foundation may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

  a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

  b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Foundation is provided internally on that basis to the Foundation's key management personnel; or

  c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

  Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

  For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Foundation recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

- ***Amortised cost***

  Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

iii) ***Financial guarantee contracts***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

iv) ***Derecognition***

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

v) ***Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

3.3 CASH AND CASH EQUIVALENTS

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

3.4 IMPAIRMENT OF ASSETS

i) Financial assets

The Foundation recognizes loss allowances for expected credit losses on financial assets measured at amortised cost, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Foundation measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Foundation consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Foundation are exposed to credit risk.

The Foundation estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Foundation assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Foundation determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Foundation's procedures for recovery amounts due.

ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

3.5 LIABILITIES AND EQUITY

i) *Classification Of Liabilities And Equity*

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

ii) *Equity Instruments*

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Foundation after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.6 PROVISIONS

A provision is recognised when the Foundation has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

3.7 LEASES

The Foundation has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported under MFRS 117, Leases and related interpretations.

Current financial year

i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Foundation assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Foundation allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

ii) Recognition and initial measurement

a) As a lessee

The Foundation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Foundation's incremental borrowing rate. Generally, the Foundation uses their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Foundation is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Foundation is reasonably certain not to terminate early.

The Foundation excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Foundation 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 leases of low-value assets. The Foundation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

b) As a lessor

When the Foundation acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Foundation makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Foundation applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Foundation is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Foundation applies the exemption described above, then it classifies the sublease as an operating lease.

iii) Subsequent measurement

a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Foundation's estimate of the amount expected to be payable under a residual value guarantee, or if the Foundation changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

b) As a lessor

The Foundation recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue" and "other income".

Previous financial year

a) As a lessee

i) Finance lease

Leases in terms of which the Foundation assumed substantially all the risks and rewards of ownership were classified as finance leases. Upon initial recognition, the leased asset was measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset was accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases were apportioned between the finance expense and the reduction of the outstanding liability. The finance expense was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments were accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment was confirmed.

Leasehold land which in substance was a finance lease was classified as property, plant and equipment, or as investment property if held to earn rental income or for capital appreciation or for both.

ii) Operating lease

Leases, where the Foundation did not assume substantially all the risks and rewards of ownership were classified as operating leases and, except for property interest held under operating lease, the leased assets were not recognised on the statement of financial position. Property interest held under an operating lease, which was held to earn rental income or for capital appreciation or both, was classified as investment property and measured using fair value model.

Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals were charged to profit or loss in the reporting period in which they were incurred.

Leasehold land which in substance was an operating lease was classified as prepaid lease payments.

3.8 RECEIPT RECOGNITION

Donations are recognised when received.

3.9 EMPLOYMENT BENEFITS

i) Short-Term Employment Benefits

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

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

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

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

ii) Defined Contribution Plan

Contributions to the statutory pension scheme are recognised as an expense in profit or loss in the financial year to which they relate.

3.10 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

3.11 INCOME TAX

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are charged or credited to other comprehensive income or equity if the tax relates to items that are credited or charged directly to other comprehensive income or equity.

Current tax liabilities are measured based on the amounts expected to be paid, using the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences which are the differences between the carrying amount in the financial statements and the corresponding tax base of an asset or liability at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from goodwill and for initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit. Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities and are measured using the tax rates that have been enacted or substantially enacted by the reporting date.

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following:

4.1 DEPRECIATION AND USEFUL LIVES OF PLANT AND EQUIPMENT

The Foundation reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

4.2 IMPAIRMENT OF FINANCIAL ASSETS

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rate. The Foundation use judgement in making these assumptions and selecting inputs to the impairment calculation as forward-looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of the expected credit losses is sensitive to changes in circumstance and of forecast economic condition over the expected lives of the financial assets and contract assets. The Foundation's historical credit loss experience and forecast of economics conditions may also not be representative of customer's actual default in the future.

4.3 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Foundation assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. The carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Foundation's estimates, taking into consideration factors such as historical and industry trends, general market and economic conditions and other available information. Cash flows that are projected based on those inputs or assumptions and the discount rate applied in the measurement of value-in-use may have a significant effect on the Foundation's financial position and results if the actual cash flows are less than expected.

5 PLANT AND EQUIPMENT

	As at 1 July 2019 RM	Additions RM	Disposals RM	As at 30 June 2020 RM
Cost				
Kitchen equipment	61,082	42,738	-	103,820
Machine	5,000	-	-	5,000
Motor vehicles	364,529	-	-	364,529
Office equipment	19,055	6,140	-	25,195
Renovation	124,289	-	-	124,289
	573,955	48,878	-	622,833

	As at 1 July 2019 RM	Charges for the financial year RM	Disposals RM	As at 30 June 2020 RM
Accumulated Depreciation				
Kitchen equipment	8,937	10,382	-	19,319
Machine	1,000	1,000	-	2,000
Motor vehicles	166,274	61,616	-	227,890
Office equipment	9,800	2,520	-	12,320
Renovation	20,597	12,429	-	33,026
	206,608	87,947	-	294,555

	2020 RM	2019 RM
Carrying Amounts		
Kitchen equipment	84,501	52,145
Machine	3,000	4,000
Motor vehicles	136,639	198,255
Office equipment	12,875	9,255
Renovation	91,263	103,692
	328,278	367,347

6 RIGHT-OF-USE ASSETS

	2020 RM	2019 RM
Premises		
Balance at the beginning of the financial year	112,483	-
Depreciation charges for the financial year	(62,737)	-
Balance at the end of the financial year	49,746	-

The Foundation leases premises that run for an initial period of 2 to 3 years, with option to renew

7 DEPOSITS AND PREPAYMENT

	2020 RM	2019 RM
Deposits	56,600	81,600
Prepayment	5,328	5,328
	61,928	86,928

8 GENERAL FUND

	2020 RM	2019 RM
At the beginning of the financial year	1,452,071	1,784,128
Initial application of MFRS 16 Leases	(1,044)	-
Surplus/(deficit) for the financial year	891,972	(332,057)
At the end of the financial year	2,342,999	1,452,071

9 LEASE LIABILITIES

	2020 RM	2019 RM
Lease liabilities		
- Non-current liabilities	2,485	-
- Current liabilities	52,005	-
	54,490	-

The movement of lease liabilities during the financial year is as follows:

	2020 RM	2019 RM
Balance at the beginning of the financial year	113,528	-
Interest charged	5,862	-
Payments of:		
- Principal	(59,038)	-
- Interest	(5,862)	-
Balance at the end of the financial year	54,490	-

The comparative information is not presented as the Foundation has applied MFRS 16 using the modified retrospective approach.

10 SURPLUS/(DEFICIT) BEFORE TAX

	2020 RM	2019 RM
This is stated after charging:		
Audit fee	5,500	4,000
Depreciation of plant and equipment	87,947	83,058
Depreciation of right-of-use assets	62,737	-
E.P.F. contributions	29,332	36,945
E.I.S. contributions	16	486
Interest on lease liabilities	5,862	-
Rental of premises	-	99,009
Expenses relating to short term leases	45,129	-
Salaries, allowances and bonus	390,596	355,522
SOCSO contributions	3,958	4,510
Staff training	-	9,000

11 INCOME TAX EXPENSE

No provision for taxation is required since the Foundation is non-profit organization.

12 FINANCIAL INSTRUMENTS

12.1 CATEGORIES OF FINANCIAL INSTRUMENTS

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

Financial assets and financial liabilities measured at amortised cost ("AC").

	Carrying amount RM	AC RM
2020		
Financial assets		
Deposits	56,600	56,600
Cash and bank balances	1,964,436	1,964,436
	2,021,036	2,021,036
Financial liability		
Accruals	6,899	6,899

	Carrying amount RM	AC RM
2019		
Financial assets		
Deposits	81,600	81,600
Cash and bank balances	1,003,022	1,003,022
	1,084,622	1,084,622
Financial liability		
Accruals	5,226	5,226

12.2 FAIR VALUE HIERARCHY

As the financial asset and liability of the Foundation are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management is integral to the development of the Foundation's business. The Foundation has in place the financial risk management policies to manage its exposure to a variety of risks to an acceptable level. The Foundation's principal financial risk management policies are as follows:

13.1 LIQUIDITY RISK

The Foundation's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Foundation monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Foundation can be required to pay. The weighted average effective interest rates of these non-derivative financial liabilities are disclosed in the respective notes.

	Contractual Interest Rates %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	2 – 5 Years RM
2020					
Accruals	-	6,899	6,899	6,899	-
Lease liabilities	5.5 - 6.9	54,490	56,300	53,800	2,500
		61,389	63,199	60,699	2,500
2019					
Accruals	-	5,226	-	5,226	-

13.2 Fair values

The carrying values of financial assets and financial liabilities at the financial position date approximated their fair values.

13.3 Capital risk management

The Foundation manages its capital by following the Foundation's policy and guidelines and also seeks approval from the Trustees with regard to all capital management matters. Presently, the Foundation's activities are funded by donation and contribution from donators.

14 SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Impact on the financial statements

Since the Foundation applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application on 1 July 2019, there are no adjustments made to the prior period presented.

The following table explains the difference between operating lease commitments disclosed applying MFRS 117 at 30 June 2019 and lease liabilities recognised in the statement of financial position at 1 July 2019.

	RM
Operating lease commitment at 30.06.2019 as disclosed in the audited financial statements	121,200
Incremental borrowing rate as at 1 July 2019	6.9%
Discounted using the incremental borrowing rate at 1 July 2019	(7,672)
Lease liabilities recognised as at 1 July 2019	113,528

16 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Foundation were authorised for issue by the Board of Trustees on 11 December 2020.

Registration No.: 201301022112 (1051942-D)

FOOD AID FOUNDATION
(Incorporated in Malaysia limited by guarantee and not having a share capital)

DETAILED STATEMENT OF RECEIPT AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	2020 RM	2019 RM
RECEIPTS		
Donation	2,515,668	847,618
LESS: DIRECT EXPENDITURES		
Event coupon	-	30,000
Event expenses	179,093	247,823
Purchases of food	471,885	63,999
Purchase of kitchen items	31,763	7,734
Purchase of printing and flyers	4,963	4,796
Purchase of T-shirt	7,634	11,743
	695,338	366,095
GROSS INCOME OVER DIRECT EXPENDITURES	1,820,330	481,523
LESS: ADMINISTRATION EXPENSES		
Accommodation	(8,217)	(4,990)
Audit fee	(5,500)	(4,000)
Bank charges	(917)	(683)
E.P.F. contributions	(29,332)	(36,945)
E.I.S. contributions	(16)	(486)
Entertainment	(565)	(285)
Gift and donations	(6,500)	-
Insurance and road tax	(11,855)	(6,146)
License fee	-	(405)
Medical fees	(3,173)	(1,418)
Miscellaneous expenses	(31,327)	(17,398)
Parking, petrol and toll	(41,630)	(51,049)
Postage and courier	(2,337)	(2,557)
Printing and stationery	(19,059)	(12,255)
Professional fee		
- current year	(1,200)	(1,200)
- prior year	(300)	-
Refreshment	(5,648)	(1,436)
Rental of equipment	(2,256)	-
Rental of premise	-	(99,009)
Expenses relating to short term leases	(45,129)	-
Salaries, allowances and bonus	(390,596)	(355,522)
Secretarial and filing fees	(4,721)	(3,808)
SOCSO contributions	(3,958)	(4,510)
Staff training	-	(9,000)
Stamp duty	-	(568)
Storage charges	-	(2,100)

This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.

FOOD AID FOUNDATION
(Incorporated in Malaysia limited by guarantee and not having a share capital)

DETAILED STATEMENT OF RECEIPT AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	2020 RM	2019 RM
Subscription fee	(9,527)	(8,852)
Telecommunication expenses	(9,401)	(5,917)
Transportation	(28,240)	-
Travelling	(7,055)	(20,266)
Upkeep of motor vehicles	(22,873)	(17,178)
Upkeep of office	(7,908)	(25,760)
Water and electricity	(72,572)	(36,779)
	(771,812)	(730,552)
LESS: OTHER OPERATING EXPENSES		
Depreciation of plant and equipment	(87,947)	(83,058)
Depreciation of right-of-use assets	(62,737)	-
	(150,684)	(83,058)
LESS: FINANCE COST		
Interest on lease liabilities	(5,862)	-
SURPLUS/(DEFICIT) BEFORE TAX	891,972	(332,057)

This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.