

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 31 DECEMBER 2023

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 31 DECEMBER 2023

TABLE OF CONTENTS

	PAGE
Trustees' report	1 - 3
Statement by trustees and statutory declaration	4
Report of the independent auditors	5 - 7
Statement of financial position	8
Statement of receipt and expenditure	9
Statement of cash flows	10
Notes to the financial statements	11 - 19

FOOD AID FOUNDATION

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

TRUSTEES' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The trustees hereby submit their report together with the audited financial statements of the Foundation for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Foundation are those relating to as non-profit organisation 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
Deficit for the financial year	<u>(566,172)</u>

DIVIDENDS

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

SHARES AND DEBENTURES

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

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
Khairulbariah Binti Dzun-Nurin
Melvin Khoo Chong Peng
Selvarajah A/I Selvaratnam

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 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 have a substantial financial interest, other than any deemed benefits which may arise from transactions as disclosed in Note 14 to the financial statements.

INDEMNIFYING TRUSTEES, OFFICERS OR AUDITORS

No indemnities have been given to or insurance effected for, during or since the end of the financial year, 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 impairment losses of receivables, and had satisfied themselves that there were no known bad debts to be written-off and that no allowance for impairment losses on receivables was required; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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 or providing of allowance of impairment losses on receivables 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 which secures the liabilities of any other person; and
- (b) any contingent liabilities 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 operations of the Foundation for the financial period.

AUDITORS' REMUNERATION


The auditors' remuneration of the Foundation during the financial year is RM 6,000.

Registration No.: 201301022112 (1051942-D)

AUDITORS

The auditors, Messrs. BT & Associates, have expressed their willingness to be 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
28 MAY 2024

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 pages 8 to 19 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 31 December 2023 and financial performance of the Foundation for the financial year ended 31 December 2023.

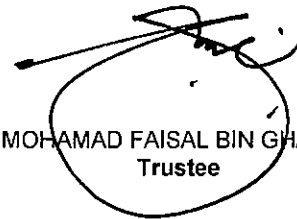
Approved by the Board and signed on behalf of the Trustees



CHEE YEW GUAN
Trustee

Kuala Lumpur

28 MAY 2024



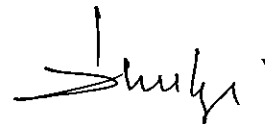
MOHAMAD FAISAL BIN GHAZALI
Trustee

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 pages 8 to 19 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 **28 MAY 2024**



CHEE YEW GUAN

Before me,

COMMISSIONER FOR OATHS



199-B, Jalan Besar,
Kg. Cheras Baru, Bkt. C,
56100 Cheras, Kuala Lumpur

**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 31 December 2023 of the Foundation, and the statement of receipt and expenditure and statement of cash flows of the Foundation, for the financial year then ended, and notes to the financial statements, as set out on pages 8 to 19.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2023 and of its financial performance and its 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the 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.

**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 director 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

Kuala Lumpur

28 MAY 2024



TAN BAN TATT
3099/03/2026 J
Chartered Accountant

FOOD AID FOUNDATION

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

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

	Note	2023 RM	2022 RM
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	4	199,802	254,302
Right-of-use assets	5	143,622	126,906
		<u>343,424</u>	<u>381,208</u>
CURRENT ASSETS			
Deposits	6	37,915	37,565
Fixed deposits with a licensed bank	7	1,500,000	1,500,000
Cash and bank balances		1,190,068	1,710,944
		<u>2,727,983</u>	<u>3,248,509</u>
TOTAL ASSETS		<u><u>3,071,407</u></u>	<u><u>3,629,717</u></u>
RESERVE AND LIABILITIES			
General funds	8	2,923,484	3,489,656
NON-CURRENT LIABILITY			
Lease liabilities	9	45,883	15,354
CURRENT LIABILITIES			
Accruals		13,658	13,405
Lease liabilities	9	85,410	111,208
Current tax liabilities		2,972	94
		<u>102,040</u>	<u>124,707</u>
TOTAL LIABILITIES		<u>147,923</u>	<u>140,061</u>
TOTAL RESERVE AND LIABILITIES		<u><u>3,071,407</u></u>	<u><u>3,629,717</u></u>

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 31 DECEMBER 2023**

	Note	2023 RM	2022 RM
RECEIPTS	10	<u>1,568,629</u>	<u>2,201,044</u>
LESS: DIRECT EXPENDITURES			
Event coupon		-	(982)
Event expenses		(85,225)	(59,649)
Purchase of food		(1,091,642)	(978,170)
Purchase of kitchen items		(10,916)	(20,038)
Purchase of printing and flyers		(9,683)	(15,631)
Purchase of T-shirt		<u>(3,009)</u>	<u>(2,525)</u>
Total direct expenditures		<u>(1,200,475)</u>	<u>(1,076,995)</u>
Gross income over direct expenditures		368,154	1,124,049
ADD: OTHER INCOME			
Interest received		<u>62,509</u>	<u>7,541</u>
LESS: EXPENDITURES			
Administrative expenses		(814,692)	(854,347)
Other operating expenses		<u>(173,864)</u>	<u>(227,143)</u>
(Deficit)/surplus from operations		(557,893)	50,100
Finance cost		<u>(5,401)</u>	<u>(8,914)</u>
(Deficit)/surplus before tax	11	(563,294)	41,186
Income tax expense	12	<u>(2,878)</u>	<u>(94)</u>
(Deficit)/surplus for the financial year		<u><u>(566,172)</u></u>	<u><u>41,092</u></u>

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 31 DECEMBER 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/surplus before tax		(563,294)	41,186
Adjustments for:			
Depreciation of plant and equipment		55,650	105,864
Depreciation of right-of-use assets		118,214	121,279
Interest expense		5,401	8,914
Interest income		(62,509)	(7,541)
Operating (deficit)/surplus before working capital changes		(446,538)	269,702
(Increase)/decrease in receivables		(350)	25,000
Increases in payables		253	4,999
Net cash (used in)/generated from operating activities		(446,635)	299,701
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		62,509	7,541
Purchase of plant and equipment		(1,150)	(142,673)
Net cash generated from/(used in) investing activities		61,359	(135,132)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(5,401)	(8,914)
Repayment of lease liabilities	9	(130,199)	(125,865)
Net cash used in financing activities		(135,600)	(134,779)
Net (decrease)/increase in cash and cash equivalents		(520,876)	29,790
Cash and cash equivalents at the beginning of the financial year		3,210,944	3,181,154
Cash and cash equivalents at the end of the financial year		2,690,068	3,210,944
Cash and cash equivalents comprise:			
Fixed deposits with a licensed bank		1,500,000	1,500,000
Cash and bank balances		1,190,068	1,710,944
		2,690,068	3,210,944

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)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

1 GENERAL INFORMATION

The Foundation is a public 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 organisation 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 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 ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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 2024

- Amendments to MFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statements of Cash Flows and MFRS 7, Financial Instruments: Disclosures - Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

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 amendments, where applicable in the respective financial years when abovementioned amendments become effective.

The initial application of the amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Foundation.

2.3 BASIS OF MEASUREMENT

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

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 Note 5.2 – Extension options and incremental borrowing rate in relation to leases.

3 CHANGES IN MATERIAL ACCOUNTING POLICIES

Material accounting policy information

The Foundation adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Foundation's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

4 PLANT AND EQUIPMENT

	As at 1 January 2023 RM	Additions RM	Disposal RM	As at 31 December 2023 RM
Cost				
Kitchen equipment	118,978	1,150	-	120,128
Machine	5,000	-	-	5,000
Motor vehicles	501,399	-	-	501,399
Office equipment	28,122	-	-	28,122
Renovation	128,692	-	-	128,692
	782,191	1,150	-	783,341
	As at 1 January 2023 RM	Charges for the financial year RM	Disposals RM	As at 31 December 2023 RM
Accumulated Depreciation				
Kitchen equipment	48,128	12,013	-	60,141
Machine	4,500	498	-	4,998
Motor vehicles	391,398	27,875	-	419,273
Office equipment	19,327	2,394	-	21,721
Renovation	64,536	12,870	-	77,406
	527,889	55,650	-	583,539
			2023 RM	2022 RM
Carrying Amounts				
Kitchen equipment			59,987	70,850
Machine			2	500
Motor vehicles			82,126	110,001
Office equipment			6,401	8,795
Renovation			51,286	64,156
			199,802	254,302

4.1 Material accounting policy information**i) Recognition and measurement**

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

	<u>Rate</u>
Kitchen equipment	10%
Machine	20%
Motor vehicles	20%
Office equipment	10%
Renovation	10%

5 RIGHT-OF-USE ASSETS

	2023 RM	2022 RM
Premises		
Balance at the beginning of the financial year	126,906	139,963
Addition during the financial year (Note 9)	134,930	108,222
Depreciation charge for the financial year	<u>(118,214)</u>	<u>(121,279)</u>
Balance at the end of the financial year	<u>143,622</u>	<u>126,906</u>

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

5.1 Material accounting policy information

i) Lease and non-lease components

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. However, for leases of properties in which the Foundation is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

ii) Recognition exemption

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.

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.

5.2 Significant judgements and assumptions in relation to leases

The Foundation assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Foundation considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Foundation also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Foundation first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

6 DEPOSITS

The deposits mainly comprise of rental and other deposits paid for renting of office and hostel.

7 FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates for the fixed deposits with a licensed bank at the reporting date are ranging from 2.80% to 4.00% (2022: 3.80% to 3.90%) per annum and the maturity period is ranging from 6 to 12 months.

8 GENERAL FUNDS

	2023	2022
	RM	RM
At the beginning of the financial year	3,489,656	3,448,564
(Deficit)/surplus for the financial year	<u>(566,172)</u>	<u>41,092</u>
At the end of the financial year	<u><u>2,923,484</u></u>	<u><u>3,489,656</u></u>

9 LEASE LIABILITIES

	2023	2022
	RM	RM
Lease liabilities		
- Non-current	45,883	15,354
- Current	<u>85,410</u>	<u>111,208</u>
	<u><u>131,293</u></u>	<u><u>126,562</u></u>

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

	2023	2022
	RM	RM
Balance at the beginning of the financial year	126,562	144,205
Addition (Note 5)	134,930	108,222
Interest charged	5,401	8,914
Payments of:		
- Principal	(130,199)	(125,865)
- Interest	<u>(5,401)</u>	<u>(8,914)</u>
Balance at the end of the financial year	<u><u>131,293</u></u>	<u><u>126,562</u></u>

10 RECEIPTS

Receipts from donation received is recognised at a point in time when the Foundation's right to received payment is established.

11 (DEFICIT)/SURPLUS BEFORE TAX

	2023	2022
	RM	RM
This is stated after charging:		
Audit fee	6,000	7,000
Depreciation of plant and equipment	55,650	105,864
Depreciation of right-of-use assets	118,214	121,279
E.P.F. contributions	35,009	45,699
E.I.S. contributions	(5)	31
Interest on lease liabilities	5,401	8,914
Expenses relating to short term lease	430	2,178
Salaries, allowances and bonus	455,445	434,073
SOCSSO contributions	4,632	5,063
Staff welfare	<u>371</u>	<u>1,600</u>
And crediting:		
Interest income	<u>(62,509)</u>	<u>(7,541)</u>

The Foundation leases a hostel with contract terms of not more than 1 year. These leases are short term leases. The Foundation has elected not to recognise right-of-use assets and lease liabilities for these leases.

12 INCOME TAX EXPENSE

	2023	2022
	RM	RM
Current tax expense		
Current year	2,876	94
Prior year	<u>2</u>	<u>-</u>
Total income tax expense	<u><u>2,878</u></u>	<u><u>94</u></u>

Reconciliation of tax expense with statutory income tax rate:

	2023 RM	2022 RM
Taxable income	-	6,859
Interest income	62,509	7,541
	<u>62,509</u>	<u>14,400</u>
Surplus over RM 50,000 (2022: RM 10,000) at flat rate	1,500	50
Surplus on the next RM 12,509 at 11% (2022: RM 4,400 at 1%)	1,376	44
Underprovision for prior year taxation	2	-
Total income tax expense	<u>2,878</u>	<u>94</u>

13 FINANCIAL INSTRUMENTS

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
2023		
Financial assets		
Deposits	37,915	37,915
Fixed deposits with a licensed bank	1,500,000	1,500,000
Cash and bank balances	1,190,068	1,190,068
	<u>2,727,983</u>	<u>2,727,983</u>
Financial liability		
Accruals	<u>13,658</u>	<u>13,658</u>
2022		
Financial assets		
Deposits	37,565	37,565
Fixed deposits with a licensed bank	1,500,000	1,500,000
Cash and bank balances	1,710,944	1,710,944
	<u>3,248,509</u>	<u>3,248,509</u>
Financial liability		
Accruals	<u>13,405</u>	<u>13,405</u>

14 RELATED PARTIES TRANSACTIONS

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	2023 RM	2022 RM
Entity in which a trustee of the Foundation has interest		
- Purchase of plant and equipment	<u>1,150</u>	<u>10,758</u>

15 FINANCIAL RISK MANAGEMENT

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:

i) CREDIT RISK

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Foundation's exposure to credit risk arises principally from deposits. There are no significant changes as compared to prior periods.

Deposits

Credit risk of the Foundation is mainly arising from rental deposits. The deposits will be refunded at the end of the lease terms. The Foundation manages the credit risk together with the leasing agreement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

As at the end of the reporting period, the Foundation did not recognise any allowance for impairment losses.

Cash and cash equivalents

The cash and cash equivalents are held within banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The banks have low credit risks. Consequently, the Foundation is of the view that the loss allowance is not material and hence, it is not provided for.

ii) LIQUIDITY RISK

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as and when its fall due. The Foundation's exposure to liquidity risk arises principally from its various payables.

In the management of liquidity risk, the Foundation monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Foundation's operations and to mitigate any adverse effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Foundation's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying Amount RM	Contractual cash flows			Total RM
		On demand or within one year RM	One to five years RM		
2023					
Accruals	13,658	13,658	-		13,658
Lease liabilities	131,293	90,920	47,300		138,220
	<u>144,951</u>	<u>104,578</u>	<u>47,300</u>		<u>151,878</u>
2022					
Accruals	13,405	13,405	-		13,405
Lease liabilities	126,562	114,790	15,510		130,300
	<u>139,967</u>	<u>128,195</u>	<u>15,510</u>		<u>143,705</u>

iii) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents and short term receivables and payables and hire purchase payable approximate their fair values due to the relatively short-term nature of these financial instruments.

iv) 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.

16 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.

17 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Foundation were authorised for issue by the Board of Trustees on 28 May 2024.

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 31 DECEMBER 2023**

	2023	2022
	RM	RM
RECEIPTS		
Donation	<u>1,568,629</u>	<u>2,201,044</u>
LESS: DIRECT EXPENDITURES		
Event coupon	-	(982)
Event expenses	(85,225)	(59,649)
Purchase of food	(1,091,642)	(978,170)
Purchase of kitchen items	(10,916)	(20,038)
Purchase of printing and flyers	(9,683)	(15,631)
Purchase of T-shirt	<u>(3,009)</u>	<u>(2,525)</u>
	<u>(1,200,475)</u>	<u>(1,076,995)</u>
GROSS INCOME OVER DIRECT EXPENDITURES	368,154	1,124,049
ADD: OTHER INCOME		
Interest income	<u>62,509</u>	<u>7,541</u>
	430,663	1,131,590
LESS: ADMINISTRATION EXPENSES		
Accommodation and meal	(10,904)	(4,299)
Audit fee	(6,000)	(7,000)
Bank charges	(158)	(1,175)
E.P.F. contributions	(35,009)	(45,699)
E.I.S. contributions	5	(31)
Insurance and road tax	(15,969)	(17,336)
Maintenance charges	(2,100)	(1,943)
Medical fee	(2,467)	(2,180)
Miscellaneous expenses	(50,161)	(118,003)
Parking, petrol and toll	(54,978)	(44,684)
Penalty	(2,270)	-
Postage and courier	(3,223)	(4,817)
Preliminary expenses	(2,500)	-
Printing and stationery	(2,890)	(9,522)
Professional fee	(3,509)	(1,200)
Refreshment	(14,124)	(14,480)
Rental of equipment	(2,254)	-
Expenses relating to short term leases	(430)	(2,178)
Salaries, allowances and bonus	(455,445)	(434,073)
Secretarial and filing fees	(3,085)	(3,668)
SOCSO contributions	(4,632)	(5,063)
Sales and services tax	(455)	-

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

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 31 DECEMBER 2023**

	2023 RM	2022 RM
Staff welfare		
Stamp duty	(371)	(1,600)
Subscription fee	(758)	-
Telecommunication expenses	(765)	-
Transportation	(4,792)	(4,066)
Travelling	(18,950)	(11,590)
Upkeep of motor vehicles	(14,595)	(4,980)
Upkeep of office	(36,112)	(43,777)
Water and electricity	(5,830)	(4,921)
	<u>(59,961)</u>	<u>(66,062)</u>
	<u>(814,692)</u>	<u>(854,347)</u>
LESS: OTHER OPERATING EXPENSES		
Depreciation of plant and equipment	(55,650)	(105,864)
Depreciation of right-of-use assets	(118,214)	(121,279)
	<u>(173,864)</u>	<u>(227,143)</u>
LESS: FINANCE COST		
Interest on lease liabilities	(5,401)	(8,914)
(DEFICIT)/SURPLUS BEFORE TAX	<u>(563,294)</u>	<u>41,186</u>

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