

**PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
(KECHARA SOUP KITCHEN SOCIETY MALAYSIA)
(Registration No. 0926-08-SEL, Societies Act 1966)**

FINANCIAL STATEMENTS

31 DECEMBER 2024

PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
(KECHARA SOUP KITCHEN SOCIETY MALAYSIA)
(Registration No. 0926-08-SEL, Societies Act 1966)

FINANCIAL STATEMENTS
31 DECEMBER 2024

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PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
(KECHARA SOUP KITCHEN SOCIETY MALAYSIA)
(Registration No. 0926-08-SEL, Societies Act 1966)

SOCIETY INFORMATION

President	:	Ooi Seong Huat
Vice President	:	Phng Li Kim
Secretary	:	Chuah Su Ming
Treasurer	:	Ooi Beng Kooi
Committee Members	:	Grace Leong Lai Ching Patsy Lim Siew Hoon Lew Kwan Leng Chow Wai Meng James Low Teck Heng Hue Ngoi Leng Tan Kuan Ming Chua Oui Lam Choo Sook Fun
Auditors	:	HLB Ler Lum Chew PLT (201906002362 & AF 0276) Chartered Accountants A member of HLB International
Registered Office	:	No. 17, Jalan Barat (Off Jalan Imbi) 55100 Kuala Lumpur
Principal Place of Office	:	No. 17, Jalan Barat (Off Jalan Imbi) 55100 Kuala Lumpur

PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
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(Registration No. 0926-08-SEL, Societies Act 1966)

STATEMENT BY THE VICE PRESIDENT AND TREASURER

We, PHNG LI KIM and OOI BENG KOOI, being the Vice President and Treasurer, respectively, of PERSATUAN KECHARA SOUP KITCHEN MALAYSIA (KECHARA SOUP KITCHEN SOCIETY MALAYSIA), do hereby state that, in the opinion of the Committee Members, the accompanying financial statements give a true and fair view of the financial position of the Society as at 31 December 2024 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 Societies Act 1966 in Malaysia.

On behalf of the Committee Members,



PHNG LI KIM
Vice President



OOI BENG KOOI
Treasurer

Dated : 30 APR 2025

STATUTORY DECLARATION

I, OOI BENG KOOI, being the Treasurer of PERSATUAN KECHARA SOUP KITCHEN MALAYSIA (KECHARA SOUP KITCHEN SOCIETY MALAYSIA), do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed OOI BENG KOOI

at **PUCHONG, SELANGOR**

on **30 APR 2025**



OOI BENG KOOI
Treasurer

Before me,



Commissioner for Oaths

RAMA SAMUEL & ASSOCIATES
No. 23B, 1st Floor,
Jalan TK 1/11A, Taman Kinrara
47180 Puchong, Selangor

(Registration No. 0926-08-SEL, Societies Act 1966)

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
(KECHARA SOUP KITCHEN SOCIETY MALAYSIA)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Persatuan Kechara Soup Kitchen Malaysia (Kechara Soup Kitchen Society Malaysia), which comprise the statement of financial position as at 31 December 2024 of the Society, and the statement of income and expenditure, statement of changes in equity and statement of cash flows of the Society for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 5 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at 31 December 2024, 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, the requirements of the Societies Act 1966 in Malaysia and the provisions of the constitution.

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 Society 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.

Responsibilities of the Committee Members for the Financial Statements

The Committee Members of the Society are responsible for the preparation of financial statements of the Society that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Societies Act 1966 in Malaysia and the provisions of the constitution. The Committee Members are also responsible for such internal control as the Committee Members determine is necessary to enable the preparation of financial statements of the Society that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Society, the Committee Members are responsible for assessing the Society'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 Committee Members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
(KECHARA SOUP KITCHEN SOCIETY MALAYSIA) (CONTINUED)**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Society 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 Society, 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members.
- Conclude on the appropriateness of the Committee Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society'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 Society 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Society, including the disclosures, and whether the financial statements of the Society represent the underlying transactions and events in a manner that achieves fair presentation.

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

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
(KECHARA SOUP KITCHEN SOCIETY MALAYSIA) (CONTINUED)**

Other Matters

This Report is made solely to the members of the Society, as a body, in accordance with Societies Act 1966 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this Report.



HLB LER LUM CHEW PLT
201906002362 & AF 0276
Chartered Accountants



LER JI-YONG
03439/05/2025 J
Chartered Accountant

30 April 2025
Kuala Lumpur

PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
(KECHARA SOUP KITCHEN SOCIETY MALAYSIA)
(Registration No. 0926-08-SEL, Societies Act 1966)

STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
INCOME			
Donation income	4	3,803,904	3,124,485
Fixed deposits interest income	5	179,241	184,590
Gain on disposal of property, plant and equipment		26,000	30,000
Other income		-	527
		4,009,145	3,339,602
LESS : EXPENDITURE			
Accounting fee		9,600	6,000
Advertisement		445	5,122
Amortisation of right-of-use assets		172,966	135,609
Auditors' remuneration		3,800	3,300
Bank charges		2,716	2,092
Cleaning charges		25,060	25,610
Condolence		500	2,021
Depreciation of property, plant and equipment		299,735	208,493
Electricity charges		46,489	42,732
Event cost		63,759	11,893
Food distribution		778,282	492,805
Gifts and medical supplies to beneficiaries		197,998	253,479
Lease interest		14,900	6,742
License fees		1,516	828
Medical fee and welfare for beneficiaries		13,575	27,995
Miscellaneous expenses		3,812	3,790
Penalty		1,205	-
Petrol and diesel		59,197	66,811
Postage and courier		3,271	3,070
Printing and stationery		6,673	22,994
Printing of t-shirt		21,745	9,135
Professional fees		44,646	17,837
Quit rent		4,359	4,323
Refreshments for volunteers and sponsors		543	8,963
Rental of booth and premises		100	200
Rental of equipment for food distribution		-	900
Rental of office equipment		9,180	13,065
Road tax and insurance		60,887	47,206
Service tax charges		3,339	-
Sewerage charges		1,425	960
		1,851,723	1,423,975
Balance carried forward			

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STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	2024 RM	2023 RM
LESS: EXPENDITURE (CONTINUED)			
Balance brought forward		1,851,723	1,423,975
Staff costs :-			
– EIS contribution		2,111	1,700
– EPF contribution		142,485	114,463
– Salaries, wages and bonus		1,198,798	941,963
– Skills training costs		6,176	-
– Staff ang pow		-	11,000
– Staff medical fee		6,934	6,302
– Staff reward		5,497	7,295
– SOCSO contribution		18,593	15,088
Telecommunication charges		26,792	15,137
Telephone, fax and internet		18,643	20,561
Training cost for beneficiaries		113,287	108,099
Transportation expenses		38,252	35,087
Travelling and accommodation		32,535	82,021
Upkeep and maintenance of premises		37,977	37,341
Upkeep of kitchen		6,432	5,146
Upkeep of motor vehicle		58,115	42,035
Water charges		3,772	4,496
Website services		62,752	54,120
		3,630,874	2,925,829
SURPLUS OF INCOME OVER EXPENDITURE BEFORE TAX		378,271	413,773
LESS : INCOME TAX EXPENSE	6	-	-
SURPLUS OF INCOME OVER EXPENDITURE FOR THE FINANCIAL YEAR		378,271	413,773

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

PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 RM	2023 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	786,070	523,743
Right-of-use assets	8	496,641	232,401
		<u>1,282,711</u>	<u>756,144</u>
CURRENT ASSETS			
Other receivables	9	176,409	174,973
Fixed deposits with licensed financial institutions	10	6,630,575	5,959,904
Cash and bank balances		535,066	1,089,151
		<u>7,342,050</u>	<u>7,224,028</u>
TOTAL ASSETS		<u><u>8,624,761</u></u>	<u><u>7,980,172</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Accumulated fund		<u>8,106,397</u>	<u>7,728,126</u>
NON-CURRENT LIABILITY			
Lease liabilities	11	<u>257,142</u>	<u>115,779</u>
CURRENT LIABILITIES			
Other payables	12	14,927	16,915
Lease liabilities	11	246,295	119,352
		<u>261,222</u>	<u>136,267</u>
TOTAL LIABILITIES		<u>518,364</u>	<u>252,046</u>
TOTAL EQUITY AND LIABILITIES		<u><u>8,624,761</u></u>	<u><u>7,980,172</u></u>

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

PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
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STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Accumulated fund RM	Total RM
Balance at 1 January 2023		
– As previously reported	7,319,532	7,319,532
– Effect of adoption MFRS 16	(5,179)	(5,179)
– As adjusted	<u>7,314,353</u>	<u>7,314,353</u>
Surplus of income over expenditure for the financial year	<u>413,773</u>	<u>413,773</u>
Balance at 31 December 2023	7,728,126	7,728,126
Surplus of income over expenditure for the financial year	<u>378,271</u>	<u>378,271</u>
Balance at 31 December 2024	<u><u>8,106,397</u></u>	<u><u>8,106,397</u></u>

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

PERSATUAN KECHARA SOUP KITCHEN MALAYSIA
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Surplus of income over expenditure before tax		378,271	413,773
Adjustments for :-			
Amortisation of right-of-use assets		172,966	135,609
Depreciation of property, plant and equipment		299,735	208,493
Gain on disposal of property, plant and equipment		(26,000)	(30,000)
Interest expenses		14,900	6,742
Interest income		(179,241)	(184,590)
Operating surplus before working capital changes		<u>660,631</u>	<u>550,027</u>
Changes in working capital :-			
Receivables		(1,436)	(103,684)
Payables		(1,988)	9,145
Cash generated from operations		<u>657,207</u>	<u>455,488</u>
Interest income		<u>179,241</u>	<u>184,590</u>
Net cash from operating activities		<u>836,448</u>	<u>640,078</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	(b)	(562,062)	(375,897)
Proceeds from disposal of property, plant and equipment		<u>26,000</u>	<u>30,000</u>
Net cash used in investing activities		<u>(536,062)</u>	<u>(345,897)</u>
Cash flows from financing activity			
Repayment of lease liabilities	(c)	<u>(183,800)</u>	<u>(144,800)</u>
Net cash used in financing activity		<u>(183,800)</u>	<u>(144,800)</u>
Net changes in cash and cash equivalents		116,586	149,381
Cash and cash equivalents brought forward		<u>7,049,055</u>	<u>6,899,674</u>
Cash and cash equivalents carried forward	(a)	<u><u>7,165,641</u></u>	<u><u>7,049,055</u></u>

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	2024 RM	2023 RM
NOTES TO STATEMENT OF CASH FLOWS		
(a) Cash and cash equivalents comprise :-		
Cash and bank balances	535,066	1,089,151
Fixed deposits with licensed financial institutions	6,630,575	5,959,904
	7,165,641	7,049,055
(b) Purchase of property, plant and equipment by way of cash.		
(c) Reconciliation of lease liabilities arising from financing activity :-		
At beginning of the financial year	235,131	-
Effects of adoption MFRS 16	-	119,134
As adjusted	235,131	119,134
<u>Cash flows</u>		
Repayment of lease liabilities	(183,800)	(144,800)
<u>Non-cash changes</u>		
Additions	437,206	254,055
Interest expense on lease liabilities	14,900	6,742
At end of the financial year	503,437	235,131

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

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NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL OBJECTS / ACTIVITIES

The Society is established under the Societies Act 1966. The principal objects / activities of the Society under the Act are :-

- (a) to distribute the collection of contributions, gifts, donations and all manner of aid from the public in order to provide help and assistance to the poor, unfortunate, underprivileged, physically or mentally challenged and to all in need of financial or other types of aid / assistance, such as, but not limited to, the following :-
- feeding the homeless
 - counselling
 - respite and refuge
 - warm food, grooming and laundry facilities
- (b) in order to achieve the objectives as above, the Society also has the POWER to implement the following :-
- (i) to collect donations to further the aims of the Society subject to the condition that prior approval be obtained from the Registrar of Societies and other relevant authorities;
- (ii) to apply, lease or possess land and other properties to further the aims of the Society, subject to the condition that prior approval is obtained from the relevant authorities;
- (iii) to administer the properties of the Society; and
- (iv) to extend the resources, activities, with others registered Society, in which, sharing the same objective and vision.

The registered address of the Society is located at No. 17, Jalan Barat (Off Jalan Imbi), 55100 Kuala Lumpur.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Society have been prepared under the historical cost basis except as disclosed in the accounting policies below and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Societies Act 1966 in Malaysia.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Committee Members to exercise their judgements in the process of applying the Society's accounting policies. Although these estimates and judgements are based on the Committee Members' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Society’s functional and presentation currency.

(b) Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amendments to MFRSs and IC Interpretations (“IC Int”) that are applicable to the Society for the financial year beginning 1 January 2024.

The adoption of these amendments to MFRSs and IC Int does not have any significant financial impact to the Society.

(c) Standards issued but not yet effective

At the date of authorisation of these financial statements, the Society has not adopted the MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial year beginning 1 January 2025.

The adoption of these MFRSs, Amendments to MFRSs and IC Interpretations are expected to have no significant impact to the financial statements of the Society upon their initial application.

(d) Property, plant and equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost also includes borrowing costs incurred for property, plant and equipment under construction. The cost of certain property, plant and equipment include the costs of dismantling, removal and restoration, the obligation of which was incurred as a consequence of installing the asset.

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 Society 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 statement of income and expenditure during the financial year in which they are incurred.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

Depreciation on property, plant and equipment is calculated on the straight line basis at rates required to write off the cost of the property, plant and equipment over their estimated useful life. The principal annual rates of depreciation used are as follows :-

Computer and office equipment	4 to 5 years
Furniture fittings and signboard	5 years
Motor vehicles	5 years
Kitchen appliances	5 years
Renovation and electrical works	5 to 10 years
Other assets	5 to 10 years

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Residual value, useful life and depreciation method of assets are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in income and expenditure.

(e) Right-of-use (ROU) assets and lease liabilities

(i) Short-term lease and lease of low-value assets

The Society applies the “short-term lease” and “leases of low-value assets” recognition exemption. For these leases, the Society recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(ii) Right-of-use (ROU) assets

Right-of-use (ROU) assets are initially measured at cost. Subsequent to the initial recognition, the ROU assets are measured at cost less accumulated amortisation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The ROU assets are amortised using the straight-line method from the commencement date to the earlier or the end of the estimated useful lives of the ROU assets or the end of the lease term. The ROU assets are amortised over the unexpired lease period as follows :-

Food store and office buildings	2 to 3 years
---------------------------------	--------------

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Society’s incremental borrowing rate. Subsequent to the initial recognition, the lease liability is measured at amortised cost and adjusted for any lease reassessment or modifications.

(f) Impairment of non-financial assets

The carrying amounts of assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to the statement of income and expenditure immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

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Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss a reversal of that impairment loss is recognised as income in the income and expenditure.

(g) Financial assets

Financial assets at fair value through profit or loss (FVTPL)

The financial assets are initially measured at fair value. Subsequently, they are remeasured at fair value at the reporting date, with any changes in fair value recognised in income and expenditure. Interest and dividend income are excluded from the fair value changes recognised in income and expenditure.

Financial assets at amortised cost

The financial assets are initially measured at fair value, plus transaction costs for trade receivables without a significant financing component, which are measured at the transaction price only. Subsequently, these financial assets are measured at amortised cost, less any impairment losses.

Financial assets at fair value through other comprehensive income (FVOCI)

The financial assets are initially measured at fair value, plus transaction costs. Subsequently, they are remeasured at fair value at the reporting date, with fair value changes recognised in other comprehensive income (OCI) and accumulated in the fair value reserves. Impairment losses, interest income, and foreign exchange differences on debt instruments are recognised in income and expenditure. Interest and dividend income are excluded from the fair value changes recognised in OCI.

(h) Impairment of financial assets

The Society recognises an allowance for expected credit losses (ECLs) on debt instruments that are not held at fair value through profit or loss. ECLs are calculated based on the difference between expected cash flows and contractual cash flows, using an approximation of the original interest rate. This includes cash from collateral or credit enhancements.

ECLs are recognised in two stages: (i) 12-month ECL: for assets with no significant credit risk increase, based on losses expected in the next 12 months, and (ii) lifetime ECL: for assets with significant credit risk increase, based on losses expected over the assets' entire life.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and fixed deposits with licensed financial institutions which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are categorised and measured as amortised cost in accordance with policy Note 2(g).

(j) Financial liabilities

Financial liabilities at fair value through profit or loss (FVTPL)

The financial liabilities are initially measured at fair value. Subsequently, they are remeasured at fair value at the reporting date, with any changes in fair value recognised in income and expenditure. Interest is excluded from the fair value changes recognised in income and expenditure.

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value, less transaction costs. Subsequently, they are measured at amortised cost.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(l) Income recognition and measurements

Income is recognised to the extent that it is probable that the economic benefits will flow to the Society and the income can be reliably measured. The specific recognition criteria for income are as follows :-

- (i) Members' fees is recognised upon approval by Committee Members.
- (ii) Contribution from events and sales recognised on receipt basis.
- (iii) Donation is recognised on receipt basis.
- (iv) Interest income is recognised on receivable basis.

(m) Income tax

Income tax on surplus of income over expenditure for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of the reporting period.

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(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Society.

Short term accumulating compensated absences such as paid annual leave is recognised as expenses when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave is recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined contribution plan

The Society's contributions to a defined contribution plan are charged to statement of income and expenditure in the period to which they relate. Once the contributions have been paid, the Society has no further payment obligations.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

(a) Determination of the lease term of contracts with renewal and termination options as lessee

The Society determines the lease term as the non-cancellable term of the lease, together with any periods covered by option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably not to be exercised.

The Society assesses, by applying significant judgement at lease commencement date, whether it is reasonably certain to exercise the extension options. The Society 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. After the commencement date, the Society reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.

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4. DONATION INCOME

Donation income is donation received from the donors during the current financial year.

5. FIXED DEPOSITS INTEREST INCOME

Fixed deposits interest income relates to interest earned from Society's fixed deposits account.

6. INCOME TAX EXPENSE

There is no income tax expense for the current financial year as the Society is a non-profit organisation.

On 24 January 2018, the Director General of Inland Revenue has approved the application submitted by the Society to be approved under Section 44(6) of the Income Tax Act, 1967 as a tax-exempt entity effectively from the year of assessment 2020 to the year of assessment 2024. Cash donations received will be tax exempted in the hands of its recipients under the Director General of Inland Revenue's approval number LHDN.01/35/42/51/179-6.7195.

The Society being approved under Section 44(6) of the Income Tax Act, 1967 will be granted income tax exemption on its income received except for dividend income under paragraph 13(1)(a) Schedule 6 of the Income Tax Act, 1967.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. PROPERTY, PLANT AND EQUIPMENT

2024	Computer and office equipment RM	Furniture, fittings and signboard RM	Motor vehicles RM	Kitchen appliances RM	Renovation and electrical works RM	Other assets* RM	Total RM
<u>Cost</u>							
At 1 January 2024	513,580	133,611	787,620	24,716	54,716	10,984	1,525,227
Additions	29,030	7,610	520,900	-	-	4,522	562,062
Disposal	-	-	(99,450)	-	-	-	(99,450)
At 31 December 2024	542,610	141,221	1,209,070	24,716	54,716	15,506	1,987,839
<u>Accumulated depreciation</u>							
At 1 January 2024	296,193	107,606	541,623	16,062	32,208	7,792	1,001,484
Charge for the financial year	85,905	12,475	189,951	4,943	3,862	2,599	299,735
Disposal	-	-	(99,450)	-	-	-	(99,450)
At 31 December 2024	382,098	120,081	632,124	21,005	36,070	10,391	1,201,769
<u>Net carrying amount</u>							
At 31 December 2024	160,512	21,140	576,946	3,711	18,646	5,115	786,070

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2023	Computer and office equipment RM	Furniture, fittings and signboard RM	Motor vehicles RM	Kitchen appliances RM	Renovation and electrical works RM	Other assets * RM	Total RM
<u>Cost</u>							
At 1 January 2023	276,458	119,571	768,207	24,716	54,716	10,984	1,254,652
Additions	237,122	14,040	124,735	-	-	-	375,897
Disposal	-	-	(105,322)	-	-	-	(105,322)
At 31 December 2023	513,580	133,611	787,620	24,716	54,716	10,984	1,525,227
<u>Accumulated depreciation</u>							
At 1 January 2023	213,179	96,398	543,174	11,119	28,346	6,097	898,313
Charge for the financial year	83,014	11,208	103,771	4,943	3,862	1,695	208,493
Disposal	-	-	(105,322)	-	-	-	(105,322)
At 31 December 2023	296,193	107,606	541,623	16,062	32,208	7,792	1,001,484
Net carrying amount							
At 31 December 2023	217,387	26,005	245,997	8,654	22,508	3,192	523,743

*Other assets consist of donation boxes, and security control equipment.

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8. RIGHT-OF-USE ASSETS

	Food store and office buildings	
	2024 RM	Restated 2023 RM
<u>Cost</u>		
At 1 January 2024 / 2023		
– As previously reported	297,170	-
– Effect of adoption of MFRS 16	-	113,955
– As restated	297,170	113,955
Additions	437,206	254,055
Completion of lease	(43,115)	(70,840)
At 31 December 2024 / 2023	691,261	297,170
<u>Accumulated amortisation</u>		
At 1 January 2024 / 2023	64,769	-
Charge for the financial year	172,966	135,609
Completion of lease	(43,115)	(70,840)
At 31 December 2024 / 2023	194,620	64,769
<u>Net carrying amount</u>		
At 31 December 2024 / 2023	496,641	232,401

The Society has lease contracts for buildings used in their operations. Lease of food store and office buildings generally have lease term of 2 to 3 years. The lease arrangement generally does not allow for subleasing of the lease assets, unless there is a contractual right for the Society to sublet the lease asset to another party.

9. OTHER RECEIVABLES

	2024 RM	2023 RM
Interest receivable	89,129	121,443
Prepayments	6,300	6,300
Deposits	80,980	47,230
	176,409	174,973

10. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The Society's fixed deposits have a maturity period ranging from 6 months to 12 months (2023: 3 months to 12 months) and earning effective interest rates ranging from 3.64% to 3.81% (2023: 3.58% to 3.83%) per annum at the reporting date.

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11. LEASE LIABILITIES

	2024 RM	2023 RM
Minimum lease payments :-		
Repayable not later than one financial year	265,100	128,000
Repayable later than one financial year and not later than five financial years	267,700	119,400
	532,800	247,400
Less : Finance charges	(29,363)	(12,269)
	503,437	235,131
Present value of lease payments :-		
Repayable not later than one financial year	246,295	119,352
Repayable later than one financial year and not later than five financial years	257,142	115,779
	503,437	235,131
Represented by :-		
Current	246,295	119,352
Non-current	257,142	115,779
	503,437	235,131

The maturity analysis of lease liabilities are as below :-

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Society's incremental borrowing rate. Subsequent to the initial recognition, the Society measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Society leases its office premises in the jurisdictions from which they operate. The lease comprises fixed payments over the lease term and may include extension option.

12. OTHER PAYABLES

	2024 RM	2023 RM
Other payables	4,112	4,095
Accruals	10,815	12,820
	14,927	16,915

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13. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial assets of one enterprise and a financial liability or equity instrument of another enterprise.

(a) Categories of financial instruments

	2024 RM	2023 RM
Financial assets measured at amortised cost :-		
Other receivables	170,109	168,673
Fixed deposits with licensed financial institutions	6,630,575	5,959,904
Cash and bank balances	535,066	1,089,151
	7,335,750	7,217,728
Financial liability measured at amortised cost :-		
Other payables	14,927	16,915
	14,927	16,915

(b) Fair value measurement

The carrying amount of the Society's financial assets and financial liability at the reporting date approximate their fair values due to the relatively short term nature of these financial instruments.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society's financial risk management objectives and policies seek to ensure that adequate financial resources are available for the smooth implementation of its operations.

(a) Liquidity risk

Liquidity or funding risk is the risk of the inability to meet commitments associated with financial instruments.

The Society practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient levels of cash and cash equivalents to meet its requirements of working capital.

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The table below summarises the maturity profile of the Society's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	After 1 year RM
2024					
<u>Financial liabilities :-</u>					
Other payables	14,927	-	14,927	14,927	-
Lease liabilities	503,437	-	532,800	265,100	267,700
	<u>518,364</u>		<u>547,727</u>	<u>280,027</u>	<u>267,700</u>
2023					
<u>Financial liabilities :-</u>					
Other payables	16,915	-	16,915	16,915	-
Lease liabilities	235,131	-	247,400	128,000	119,400
	<u>252,046</u>		<u>264,315</u>	<u>144,915</u>	<u>119,400</u>

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk arises primarily from fixed deposit with a licensed financial institution.

The Society's policy is to obtain the most favourable interest rates available.

As the influence of interest rate changes on the profit or loss is insignificant, no sensitivity analysis has been conducted.

15. CAPITAL MANAGEMENT

The Society regularly reviews and manages its capital to ensure adequacy for both operational and capital needs. All surpluses are transferred to the accumulated fund for future operational needs.

For the purpose of capital disclosure, the Committee Members regard the accumulated fund as capital of the Society.

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16. COMPARATIVE FIGURES

Certain comparative figures in Note 8, Right-of-use Assets, have been restated to conform with the presentation for the current financial year. The restated figures are as follows :-

	As previously reported RM	Reclassification RM	As restated RM
At 31 December 2023			
Right-of-use assets, at cost	368,010	(70,840)	297,170
Right-of-use assets, accumulated amortisation	(135,609)	70,840	(64,769)

17. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue by the Vice President and Treasurer on 30 April 2025.