

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

FINANCIAL STATEMENTS
31 DECEMBER 2018

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

THE COUNCIL MEMBERS INFORMATION FOR 2018

President	:	Mr. See Swee Choy
Vice President	:	Mr. Tan Wing Chong
Councillors	:	Mr. See Swee Poh
	:	Ms. Phang Ai Hoon
	:	Mrs. Chua Chin Ching
	:	Mr. Tiu Kok Peng
	:	Mr. Cheong Eng Siang
	:	Mr. Yap Mun Kit

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

FINANCIAL STATEMENTS
31 DECEMBER 2018

CONTENTS

	Page
Councils ' Report	1 – 3
Statement by Council	4
Statutory Declaration	4
Independent Auditors' Report	5 – 7
Statement of Financial Position	8
Statement of Income and Expenditure	9
Statement of Cash Flows	10
Notes to the Financial Statements	11- 16

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

COUNCIL'S REPORT

The Council hereby present their report together with audited financial statements of the Society for the financial year ended 31 December, 2018.

PRINCIPAL OF ACTIVITY

The principal activity of the Society is the provision of funeral and burial services for low-income and uninsured families in Malaysia. There has been no significant changes in the nature of this activity during the year.

RESULT

Net deficit for the year

RM11,370

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

In the opinion of the Council, the results of the operations of the Society during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

COUNCIL MEMBERS

The names of the Council Members of Persatuan Kebajikan Kasih Semadi in office since the date of the last report are:-

See Swee Poh
Phang Ai Hoon
Chua Chin Ching
Tiu Kok Peng
Cheong Eng Siang
Yap Mun Kit

COUNCIL'S BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Society was a party, whereby the Council Members might acquire benefits by means of the acquisition of interest in the Society or any other body corporate.

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

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

COUNCIL'S INTEREST

None of the Council Members in office since at the end of the financial year had any interest in the Council or its related corporations during the financial year.

COUNCIL'S REMUNERATION

None of the Council Members received any remuneration during the year ended 31 December 2018.

OTHER STATUTORY INFORMATION

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements were made out, the Council Members took reasonable steps:-
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Council are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Society which would render:
- (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the council; and
 - (ii) the values attributed to current assets in the financial statements of the Society misleading.
- (c) As the date of this report, the Council Members are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Society misleading or inappropriate.
- (d) As the date of this report, the Council Members are not aware of any circumstances not otherwise dealt with in this report or to the financial statements of the Society which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Society which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Society which has arisen since the end of the financial year.

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

(f) In the opinion of the Council Members:

- (i) no contingent liability 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 will or may affect the ability of the Society to meet its obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and usual nature has arisen in the internal between the end of the financial year and the date of this report which is likely to affect substantially the results of the Society for the financial year in which this report is made.

AUDITORS' AND AUDITORS' REMUNERATION

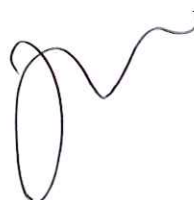
The auditors Messrs S.F. Lee & Co. have expressed their willingness to continue in office,

Auditors' remuneration of the Society for the financial year ended 31 December 2018 is RM1,500/-

Signed on behalf of the Council in accordance with a resolution of the Council dated
05 APR 2019



See Swee Choy
President



Chua Chin Ching
Treasurer

Kuala Lumpur, Malaysia

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

STATEMENT BY THE COUNCIL PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, See Swee Choy and Chua Chin Ching, being two of the Council Members of Persatuan Kebajikan Kasih Semadi do hereby state that, in our opinion, the accompanying financial statements set out pages 8 to 16 are drawn up in accordance with Malaysian Private Entities Reporting Standard 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 Persatuan Kebajikan Kasih Semadi as at 31 December 2018, and of the financial performance and cash flows of the Society for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Council dated

05 APR 2019


See Swee Choy
President

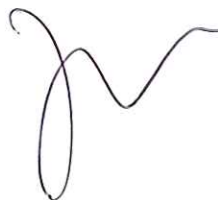

Chua Chin Ching
Treasurer

Kuala Lumpur

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, Chua Chin Ching, being the officer primarily responsible for the financial management of Persatuan Kebajikan Kasih Semadi, do solemnly and sincerely declare that the accompanying financial statements set out on pages 8 to 16 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared the abovenamed
Chua Chin Ching at Kuala Lumpur in Wilayah
Persekutuan on **05 APR 2019**


Chua Chin Ching

Before me:

Kuala Lumpur



No. 86, Jalan Putra
50350 Kuala Lumpur



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERSATUAN KEBAJIKAN KASIH SEMADI

Report on the Financial Statements

Opinion

We have audited the financial statements of **Persatuan Kebajikan Kasih Semadi**, which comprise the statement of financial position of the Society as at 31 December 2018, the statement of income and expenditure and statement of cash flows of the Society for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 16.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard 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 Auditor's 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' 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 council members of the Society are responsible for the other information. The other information comprises the Council's Report but does not include the financial statements of the Society and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Society, our responsibility is to read the Council's Report and, in doing so, consider whether the Council's Report is materially inconsistent with the financial statements of the Society 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 Council's Report, we are required to report that fact. We have nothing to report in this regard.



PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

Responsibilities of the Council for the Financial Statements

The council 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 Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The council are also responsible for such internal control as council 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 council 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 council either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 judgment and maintain professional skepticism throughout the audit. We also:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.



PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

Other Matters

- (d) Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Society, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the council 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 Society, 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.


S.F. LEE & CO.
AF 0670
CHARTERED ACCOUNTANTS


LEE SIEW FATT
01179/09/2020 (J)
CHARTERED ACCOUNTANT

Kuala Lumpur
Dated: 05 APR 2019

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Note	2018 RM	2017 RM
GENERAL FUND	4	<u>126,734</u>	<u>138,104</u>
Represented by:			
CURRENT ASSETS			
Other receivables		26,150	26,150
Bank Balance		105,668	118,237
		<u>131,818</u>	<u>144,387</u>
CURRENT LIABILITIES			
Accrued expenses		5,084	6,283
		<u>5,084</u>	<u>6,283</u>
NET CURRENT ASSETS		<u>126,734</u>	<u>138,104</u>
		<u>126,734</u>	<u>138,104</u>

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

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31 December 2018

INCOME	2018 RM	2017 RM
Donation for purchase of coffins	297,444 ✓	74,474
	<u>297,444</u>	<u>74,474</u>
EXPENDITURE		
Advertisement fee	500 ✓	-
Attestation fee	40 ✓	40
Administration fee	-	2,850
Accounting fee	2,700 ✓	-
Auditors' remuneration	1,500	1,500
Bank charges	44 ✓	58
Condolence	-	400
Donation for coffins	260,200 ✓	142,900
Donation to dialysis centre	200 ✓	500
Donation	1,500 ✓	-
EPF	4,368 ✓	2,819
GST and service tax	106 ✓	-
Life release expenses	335 ✓	4,491
Penalty	5 ✓	10
Postage and courier	-	27
Petrol, toll and parking	-	1,150
Printing and stationery	500 ✓	42
Professional fee	-	2,650
Professional fee overprovided for prior year	(1,500)	-
Retainer fee	500 ✓	-
Salaries	37,047 ✓	23,860
Socso	709 ✓	372
Telephone and fax	60 ✓	212
Travelling	-	32
	<u>308,814</u>	<u>183,913</u>
Deficit of income over expenditure before tax	(11,370)	(109,739)
Income tax expense	-	-
Net deficit of income over expenditure for the year	<u>(11,370)</u>	<u>(109,739)</u>

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	<u>2018</u> RM	<u>2017</u> RM
Cash flows from operating activities		
Deficit of income over expenditure for the period	(11,370)	(109,439)
Deficit before working capital changes	<u>(11,370)</u>	<u>(109,439)</u>
Decrease in payables	(1,199)	(767)
Net cash used in operating activities	<u>(12,569)</u>	<u>(110,206)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,569)	(110,206)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	118,237	228,443
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>105,668</u></u>	<u><u>118,237</u></u>

Cash and cash equivalent consists of bank balance.

The accompanying notes are an integral part of the financial statements

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS –31 DECEMBER 2018

1. CORPORATE INFORMATION

The principal activity of the Society is the provision of funeral and burial services for low-income and uninsured families in Malaysia. There has been no significant changes in the nature of this activity during the year.

The Society is registered in Malaysia. The registered office of the Society is located at Blok N-6-03, the Gamuda Biz Suites, Persiaran Anggerik Vanilla, Kota Kemuning, 40460 Shah Alam, Selangor.

The financial statements were authorised for issue in accordance with a resolution by the Council on **05 APR 2019**

2. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Society have been prepared in accordance with Malaysian Private Entities Reporting Standard (“MPERS”) and the requirements of Companies Act, 2016 in Malaysia.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise stated in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency.

(d) Accounting estimates and judgements

The preparation of the financial statements in conformity with MPERS requires the use of certain accounting estimates and exercise of judgements. Estimates and judgements are continuously evaluated and are based on past experience, reasonable expectations of future events and other factors.

The Council are the opinion that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within next financial year.

3. SUMMARY OF ACCOUNTING POLICIES

(a) Impairment of non-financial assets

The carrying amounts of non-financial 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generated cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. 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 the statement of income and expenditure, if any.

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 assets'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 statement of income and expenditure in the financial year in which the reversals are recognised.

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

(c) Financial instruments

(i) Initial recognition and measurement

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

A financial instrument is recognised initially at the transaction price unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

(ii) Subsequent measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

- (a) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;
- (b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior periods;
- (c) prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

Financial assets or financial liabilities not measured at amortised at cost or cost less impairment are measured at fair value changes recognised in the statement of income and expenditure.

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- (i) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- (ii) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

(iii) 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 expired or are settled, 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 of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in the statement of income and expenditure.

A financial liability or 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 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 the statement of income and expenditure

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

4. GENERAL FUND

	<u>2018</u> RM	<u>2017</u> RM
At 1 January	138,104	247,543
Deficit of income over expenditure	(11,370)	(109,439)
At 31 December	<u>126,734</u>	<u>138,104</u>

5. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Society if the Society has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Society and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

There were no related party transactions during the year.

(b) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Company.

There were no compensation paid to key management personnel during the year.

PERSATUAN KEBAJIKAN KASIH SEMADI
(Registered in Malaysia)

6. FINANCIAL INSTRUMENTS

The financial instruments of the Society are categorised into the following classes:

	<u>2018</u> RM	<u>2017</u> RM
Financial assets measured at amortised cost less impairment		
Other receivables	26,150	26,150
Bank balances	105,668	118,200
	<u>131,818</u>	<u>144,350</u>
Financial liabilities carried at amortised cost		
Other payables	5,084	6,200