

PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)

(Registration No.: PPM-014-10-08042013)

(Registered under Societies Act 1966)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**AZNAM & CO. (AF 002301)
CHARTERED ACCOUNTANTS (MALAYSIA)**

PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)
(Registration No.: PPM-014-10-08042013)
(Registered under Societies Act 1966)

REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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STATEMENT BY COMMITTEE MEMBER

The Committee Member of **PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)** state that, in the opinion of the Committee Member, the accompanying financial statements are properly drawn up in accordance with Generally Accepted Accounting Principles in Malaysia and the requirements of Societies Act 1966 in Malaysia, so as to give a true and fair view of the state of affairs of the Society as at 31 December 2022 and income and expenditure as well as receipt and payment of the Society for the financial year ended on that date.

On behalf of Committee Member,



MOHD SHAH BIN SAPIEI
Chairman



MUHAMAD HAMIDIN BIN MOHD SHAH
Honorary Treasurer

Shah Alam, Selangor.
Dated: **30 DEC 2023**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)
(Registration No.: PPM-014-10-08042013)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)**, which comprise the statement of financial position as at 31 December 2022, and the statement of income and expenditure and statement of receipt and payment for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 14.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles in Malaysia and the requirements of Societies Act 1966 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 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 Member for the Financial Statements

The Committee Member of the Society are responsible for the preparation of financial statements of the Society that give a true and fair view in accordance with Generally Accepted Accounting Principles in Malaysia and the requirements of Societies Act 1966 in Malaysia. The Committee Member are also responsible for such internal control as the Committee Member 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)

Responsibilities of the Committee Member for the Financial Statements (contd.)

In preparing the financial statements of the Society, the Committee Member 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 Member 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 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 Member.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)

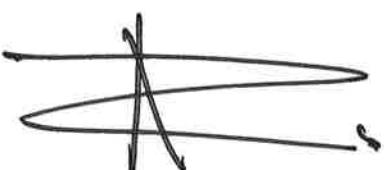
Auditor's Responsibilities for the Audit of the Financial Statements (contd.)

- Conclude on the appropriateness of the Committee Member'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.
- 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 Committee Member 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

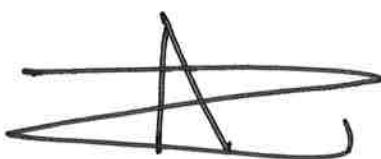
This report is made solely to the members of the Society, as a body, in accordance with Section 26 of the Societies Act 1966 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



AZNAM & CO.

AF: 002301

Chartered Accountants



AZNAM BIN ABDULLAH

No. 03386/07/2024 J

Partner

Sungai Buloh, Selangor.

Dated: **30 DEC 2023**

PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		2022	2021
	Note	RM	RM
Non-Current Assets:			
Property, plant and equipment	3	271,808	192,151
Total non-current assets		<u>271,808</u>	<u>192,151</u>
Current Assets:			
Other receivables		40,919	75,474
Cash and bank balances		<u>484,040</u>	<u>921,297</u>
Total current assets		<u>524,959</u>	<u>996,771</u>
Total Assets		<u>796,767</u>	<u>1,188,922</u>
Accumulated funds:			
Accumulated funds at 1 January		296,380	374,577
Surplus/(Deficit) for the year		<u>454,416</u>	<u>(78,197)</u>
Accumulated funds at 31 December		<u>750,796</u>	<u>296,380</u>
Non-Current Liabilities:			
Deferred tax liabilities	4	-	10,658
Total non-current liabilities		<u>-</u>	<u>10,658</u>
Current Liabilities:			
Other payables		34,712	858,240
Current tax liabilities		<u>11,259</u>	<u>23,644</u>
Current liabilities		<u>45,971</u>	<u>881,884</u>
Total liabilities		<u>45,971</u>	<u>892,542</u>
Total Funds and Liabilities		<u>796,767</u>	<u>1,188,922</u>

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

PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)
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STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	RM	RM
<u>INCOME</u>		
Donations	4,638,445	3,910,390
Gain on disposal of property, plant and equipment	8,943	-
Gain on foreign exchange - realised	105	-
Interest income	117	-
Other income	-	20,500
	4,647,610	3,930,890
<u>EXPENDITURES</u>		
Charitable expenditure		
Ace fund	98,606	293,052
Clean water projects	420,691	324,123
Food aid	850,112	775,548
Non shariah compliant	-	5,840
Other charitable expenses	969,006	719,614
Other projects	16,274	33,784
Qurban	251,758	385,387
Special projects	372,192	750,456
Staff costs	467,122	360,597
	3,445,761	3,648,401
Administrative expenses		
Advertisement	267,312	43,525
Auditors' remunerations	8,000	6,700
Bank charges	11,975	18,379
Depreciation of property, plant and equipment	21,244	15,142
Donations	1,408	-
Entertainment	4,813	854
General expenses	353	-
Insurance	206	434
Legal and professional fee	300	-
Meal and refreshment	373	565
Office expenses	1,878	3,319
Other assets written off	23,279	-
Penalty	-	5,367
Toll and parking	208	408
Postage	51	69
Printing and stationery	6,311	4,750
Property, plant and equipment written-off	65,658	-

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STATEMENT OF INCOME AND EXPENDITURE (CONTD.)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	RM	RM
Registration and license fee	1,320	60
Rental	48,900	31,200
Rental of equipment	3,045	2,980
Road tax and insurance	50	1,949
Secretarial fees	1,099	100
Service tax	232	439
Stamp duty	558	232
Subscription fee	15,008	11,212
Telephone and fax charges	9,296	7,433
Training fee	4,506	1,154
Translation fee	600	4,320
Transportation	382	373
Travelling expenses	3,212	3,517
Upkeep of office equipment	8,214	6,260
Upkeep of premises	15,142	7,768
Utilities	8,294	5,718
	<u>533,227</u>	<u>184,227</u>
Staff costs		
EPF	18,598	16,452
Salaries, bonus and allowances	154,060	123,300
Socso	9,853	3,590
Other benefits	42,353	17,770
	<u>224,864</u>	<u>161,112</u>
Surplus/(Deficit) before tax	443,758	(62,850)
Deferred tax income/(expense)	10,658	(15,347)
Surplus/(Deficit) for the year	<u>454,416</u>	<u>(78,197)</u>

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**STATEMENT OF RECEIPT AND PAYMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	RM	RM
Receipt		
Donations	4,638,445	3,910,390
Interest income	117	-
Other income	-	27,118
Proceeds from disposal of property, plant and equipment	<u>18,701</u>	<u>-</u>
	<u>4,657,263</u>	<u>3,937,508</u>
Payment		
Charitable expenditure	4,282,895	2,921,506
Administrative expenses	390,999	168,783
Staff costs	224,864	161,112
Deposit paid	7,060	3,208
Purchase of property, plant and equipment	<u>176,317</u>	<u>56,287</u>
Tax paid	<u>12,385</u>	<u>19,164</u>
	<u>5,094,520</u>	<u>3,330,060</u>
(Deficit)/Surplus for the year	(437,257)	607,448
Cash and cash equivalents at 1 January	921,297	313,849
Cash and cash equivalents at 31 December	<u>484,040</u>	<u>921,297</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY) was established on 8 April 2013 under the Societies Act, 1966. The Society are providing non-profit organization, humanitarian and charitable body in Malaysia. The main objectives of the Society are:

- i) to plan and execute a variety of educational programs for every age and background;
- ii) to implement educational programs, campaigns and environmental conservation activities; and
- iii) to provide short-term and long-term solutions to disaster victims and target groups local and abroad.

The Society's registered office is located at No. Suite 11-01, First Floor, D' Bayu Complex, Jalan Serambi U8/24, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan.

The financial statements of the Society are presented in Ringgit Malaysia ("RM").

The financial statements have been approved for issue by the Committee Member on 30 December 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in Malaysia and the provisions of the Societies Act, 1966.

Committee Member has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts.

The principal accounting policies adopted are set out below:

a) Property, Plant and Equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Society obtains control of the assets. The assets, including major spares, servicing equipment and stand-by equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component derecognised.

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All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land and capital work-in-progress are not depreciated but are subject to impairment test if there is any indication of impairment.

All other property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life. The depreciation is calculated on a straight-line basis at the following annual rates based on their estimated useful lives:

Computer and peripherals	10%
Furniture and fittings	10%
Office equipment	10%
Motor vehicles	10%
Renovation	10%

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

b) Impairment of Non-Financial Assets

An impairment loss arises when the carrying amount of a Society's asset exceeds its recoverable amount.

At the end of each reporting date, the Society assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Society estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal Committee Member purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Society determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in an active market; and (iii) estimate of market

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price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable Committee Member's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.

For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the relative carrying amounts of the assets.

The Society reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

c) Financial Instruments

The Society recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

After initial recognition, financial assets and financial liabilities are measured at fair value with changes recognised in profit or loss.

For derecognition purposes, the Society first determines whether a financial asset and financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Society transfers the contractual rights to receive cash flows of the financial asset.

A financial liability is derecognised when, and only when, it is legally distinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

d) Translation of Foreign Currency Transactions

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e, the closing rates). Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

e) Employee Benefits

The Society recognises a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Society consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

(i) Short-Term Employee Benefits

Wages and salaries are accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets. Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

(ii) Short-Term Employee Benefits

The Society makes statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Society has no further payment obligations.

f) Revenue Recognition and Measurement

Revenue is recognised when there is a probability that the economic benefits resulting from the transaction will flow into the Society and the amount of the acquisition can be reasonably measured, on the following bases:

- (i) Donations are accounted for on a cash basis and will only be recognized when they are received.
- (ii) Interest income is recognized on a time-sharing basis that reflects the full yield of the asset.

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3. PROPERTY, PLANT AND EQUIPMENT

	At 1			At 31
	January		Disposal/	December
	2022	Addition	Written-off	2022
	RM	RM	RM	RM
Cost:				
Land	55,620	-	-	55,620
Computer and peripherals	70,558	12,939	(32,604)	50,893
Furniture and fittings	33,538	39,970	(23,729)	49,779
Office equipment	37,427	49,858	(14,563)	72,722
Motor vehicles	15,711	-	(12,000)	3,711
Renovation	33,416	73,550	(30,270)	76,696
	246,270	176,317	(113,166)	309,421
Accumulated depreciation:				
Computer and peripherals	16,368	4,445	(13,474)	7,339
Furniture and fittings	9,846	3,894	(8,201)	5,539
Office equipment	15,434	5,698	(5,698)	15,434
Motor vehicles	3,014	972	(2,310)	1,676
Renovation	9,457	6,235	(8,067)	7,625
	54,119	21,244	(37,750)	37,613
Net carrying amount:				
Land	55,620		55,620	
Computer and peripherals	43,554		54,190	
Furniture and fittings	44,240		23,692	
Office equipment	57,288		21,993	
Motor vehicles	2,035		12,697	
Renovation	69,071		23,959	
	271,808		192,151	

4. DEFERRED TAX LIABILITIES

	2022	2021
	RM	RM
Taxable temporary differences of:		
Property, plant and equipment	-	10,658

5. TAXATION

No taxation provided in the financial statements, as the Society is tax exempted under Section 44(6) of the Income Tax Act, 1967.

6. COMPARATIVES

- (a) The comparatives figures have been audited by another Firm of Chartered Accountants.
- (b) The comparatives figures have been restated to conform with current year's presentation.