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**PERTUBUHAN PROGRAM CERIA AL-I'TISAM  
(AL-I'TISAM RELIEF PROGRAM ASSOCIATION)**  
(Registered under the Societies Acts 1966)  
(Society Registration No: PPM-014-10-08042013)

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

\*\*\*\*\*

**NAZIM & CO.**  
**(AF 002304)**  
Chartered Accountants

Society Registration No: PPM-014-10-08042013

**PERTUBUHAN PROGRAM CERIA AL-I'TISAM**  
**(AL-I'TISAM RELIEF PROGRAM ASSOCIATION)**  
*(Registered under the Societies Acts 1966)*

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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Society Registration No: PPM-014-10-08042013

**PERTUBUHAN PROGRAM CERIA AL-I'TISAM**  
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*(Registered under the Societies Acts 1966)*

**GENERAL INFORMATION**

***BOARD OF TRUSTEES***

MOHD SHAH BIN SAPIEI  
NORHAIMI BIN IBRAHIM  
NORRITA BINTI HASSAN  
NADIAH BINTI MOHD SHAH  
MUHAMAD HAMIDIN BIN MOHD SHAH  
MOHD SUBARI BIN JAHAYA  
MAZIIANA BINTI MOHD AZHARI  
SITI AKMAR BINTI ABU SAMAH

CHAIRMAN  
VICE CHAIRMAN  
HONORARY SECRETARY  
VICE HONORARY SECRETARY  
HONORARY TREASURER  
COMMITTEE MEMBER  
COMMITTEE MEMBER  
COMMITTEE MEMBER

***PRINCIPAL PLACE OPERATIONS***

NO. 17 JALAN OPERA D U2/D  
TAMAN TTDI JAYA  
40150 SHAH ALAM  
SELANGOR DARUL EHSAN

***AUDITORS***

NAZIM & CO. (AF 002304)  
NO. 1, JALAN LANGAT  
TAMAN SRI ANDALAS  
41200 KLANG  
SELANGOR DARUL EHSAN

***BANK***

BANK ISLAM BERHAD  
CIMB ISLAMIC BANK BERHAD  
MAYBANK ISLAMIC BERHAD

Society Registration No: PPM-014-10-08042013

**PERTUBUHAN PROGRAM CERIA AL-I'TISAM  
(AL-I'TISAM RELIEF PROGRAM ASSOCIATION)**  
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**STATEMENT BY TRUSTEES**

The Trustees of **PERTUBUHAN PROGRAM CERIA AL-I'TISAM (AL-I'TISAM RELIEF PROGRAM ASSOCIATION)**, state that in their opinion, the financial statements of the Association set out on pages 6 to 21 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Societies Act 1966 in Malaysia so as to give a true and fair view of the financial position of the Association as at 31 December 2019 and of the financial performance and cash flows of the Association for year ended 31 December 2019.

Approved and signed on behalf of The Board of Trustees,



.....  
**MOHD SHAH BIN SAPIEI**  
Chairman



.....  
**MUHAMAD HAMIDIN BIN MOHD SHAH**  
Honorary Treasurer

Shah Alam  
Date: **27 JUL 2020**

**PERTUBUHAN PROGRAM CERIA AL-I'TISAM  
(AL-I'TISAM RELIEF PROGRAM ASSOCIATION)**  
(Registered under the Societies Act 1966)

**STATUTORY DECLARATION**

I, **MUHAMAD HAMIDIN BIN MOHD SHAH**, the treasurer primarily responsible for the financial management of **PERTUBUHAN PROGRAM CERIA AL-I'TISAM (AL-I'TISAM RELIEF PROGRAM ASSOCIATION)**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, true and fair, 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 )  
**MUHAMAD HAMIDIN BIN MOHD** )  
**SHAH** at Subang Jaya in the state of Selangor )  
Darul Ehsan on **27 JUL 2020** )



**MUHAMAD HAMIDIN BIN MOHD SHAH**



**TETUAN AISHAH KAMA & SABRI**  
VICTORIA REDLAND, NO. 3-1, 5-1 & 7-1,  
JALAN USJ 1/1C, REGALIA BUSINESS CENTRE  
47620 SUBANG JAYA, SELANGOR

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PERTUBUHAN PROGRAM  
CERIA AL-I'TISAM (AL-I'TISAM RELIEF PROGRAM ASSOCIATION)**

**(Society Registration No: PPM-014-10-08042013)**

**(Registered under the Societies Act 1966)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of PERTUBUHAN CERIA AL-I'TISAM (AL-I'TISAM RELIEF PROGRAM ASSOCIATION), which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in charitable funds and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the 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.

**Other Information**

The Trustees are responsible for the other information. The other information comprises the information included in the Statement by Trustees but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Trustees for the Financial Statements**

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Societies Act 1966 in Malaysia, and for such internal control as The Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PERTUBUHAN PROGRAM  
CERIA AL-I'TISAM (AL-I'TISAM RELIEF PROGRAM ASSOCIATION) (CONT'D)**  
(Society Registration No: PPM-014-10-08042013)  
(Registered under the Societies Act 1966)

**Responsibilities of the Trustees for the Financial Statements (Cont'd)**

In preparing the financial statements, Trustees are responsible for assessing the Association ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Trustees either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 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, 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, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Trustee.
- Conclude on the appropriateness of The Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 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 Association to cease to continue as a going concern.



**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PERTUBUHAN  
PROGRAM CERIA AL-I'TISAM (AL-I'TISAM RELIEF PROGRAM ASSOCIATION)  
(CONT'D)**

**(Society Registration No: PPM-014-10-08042013)**

**(Registered under the Societies Act 1966)**

**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, 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 Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Other Matters**

This report is made solely to the members of the Association, as a body, in accordance with 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.

**NAZIM & CO.**  
AF 002304  
Chartered Accountants

**NAZIMUDDIN BIN NAZARUDDIN**  
No: 03388/08/2020 J  
Chartered Accountant

Klang

Date: 27 JUL 2020

NAC/AUD/025/2020



**PERTUBUHAN PROGRAM CERIA AL-I'TISAM  
(AL-I'TISAM RELIEF PROGRAM ASSOCIATION)  
(Registered under the Societies Act 1966)**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	Note	2019 RM	2018 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	4	<u>145,225</u>	<u>97,723</u>
<b>CURRENT ASSET</b>			
Other receivables	5	56,062	110,661
Deposit and prepayments	6	10,183	11,018
Cash and bank balances	7	<u>251,743</u>	<u>462,411</u>
		<u>317,988</u>	<u>584,090</u>
<b>TOTAL ASSETS</b>		<u><u>463,213</u></u>	<u><u>681,813</u></u>
<b>FINANCE BY:</b>			
<b>ACCUMULATED FUNDS</b>			
Balance as at 1 January		578,047	400,855
Net (deficit)/surplus of expenditure over income during the year		<u>(200,443)</u>	<u>177,192</u>
Balance as at 31 December		<u>377,604</u>	<u>578,047</u>
<b>NON-CURRENT LIABILITY</b>			
Deferred tax liabilities	8	<u>5,577</u>	<u>7,205</u>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals	9	48,141	64,670
Current tax liabilities		<u>31,891</u>	<u>31,891</u>
<b>TOTAL LIABILITIES</b>		<u>85,609</u>	<u>103,766</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>463,213</u></u>	<u><u>681,813</u></u>

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

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**PERTUBUHAN PROGRAM CERIA AL-I'TISAM  
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**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 RM	2018 RM
INCOME	10	2,475,834	2,474,372
CHARITABLE EXPENDITURE	11	(2,467,606)	(2,062,270)
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		<u>(210,299)</u>	<u>(195,814)</u>
(DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE BEFORE TAX	12	(202,071)	216,288
TAXATION	13	<u>1,628</u>	<u>(39,096)</u>
(DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE AFTER TAX		<u>(200,443)</u>	<u>177,192</u>

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

Society Registration No: PPM-014-10-08042013

**PERTUBUHAN PROGRAM CERIA AL-I'TISAM**  
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**STATEMENT OF CHANGES IN CHARITABLE FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Funds RM</b>
As at 1 January 2018	400,855
Surplus for the year	<u>177,192</u>
As at 31 December 2018	578,047
Deficit for the year	<u>(200,443)</u>
As at 31 December 2019	<u><u>377,604</u></u>

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

**PERTUBUHAN PROGRAM CERIA AL-I'TISAM**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Deficit)/Surplus of income over expenditure before tax	(202,071)	216,288
Adjustment for:		
Depreciation	11,581	8,486
Fixed asset written off	-	5,745
Operating (deficit)/surplus before working capital changes	(190,490)	230,519
Decrease/(Increase) in other receivables	54,599	(67,771)
Decrease/(Increase) in deposit and prepayments	835	(4,796)
(Decrease)/Increase in other payables	(16,529)	48,228
Net cash flows (used in)/generated from operating activities	(151,585)	206,180
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(59,083)	(71,106)
Net cash used in investing activity	(59,083)	(71,106)
Net (decrease)/increase in cash and cash equivalents	(210,668)	135,074
Cash and cash equivalents at beginning of the year	462,411	327,337
Cash and cash equivalents at ending of the year	251,743	462,411
<b>Cash and cash equivalents comprise:</b>		
Bank balances	251,736	462,404
Cash in hand	7	7
	251,743	462,411

**PERTUBUHAN PROGRAM CERIA AL-I'TISAM**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**1 GENERAL INFORMATION**

Pertubuhan Program Ceria Al-I'tisam (Al-I'tisam Relief Program Association) is incorporated and domiciled in Malaysia. The principal activities of the Association are providing non-profit organisation, humanitarian and charitable body in Malaysia. There have been no significant changes in the nature of these principal activities during the year ended.

The Association is registered under the Societies Act 1966 and established in Malaysia.

The registered address and principal place of activity is located at No. 17, Jalan Opera D U2/D, Taman TTDI Jaya, 40150 Shah Alam, Selangor Darul Ehsan.

The financial statements of the Association are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates.

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

The financial statements of the Association have been prepared in accordance with the requirement of the Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards (IFRS's) and the requirements of the Societies Act 1966 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies.

The preparation of financial statement in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the report amount of assets and liabilities and disclosure of contingent assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statement and the reported amount of income and expenses during the reported period. It also requires Trustees to exercise their judgment in the process of applying the Association's accounting policies. Although these estimates and judgement are based on the Trustee best knowledge of current events and actions, actual result may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.2.

Amendments to accounting standard that are effective for the Association's financial year beginning on or after 1 January 2019 are as follows:

- MFRS 16: Leases

The above amendments to accounting standard and interpretations effective during the financial year do not have any significant impact to the financial result and position of the Association.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Association's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosure made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumption concerning the future and other key sources of estimation or uncertainty at the reporting date, 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.

*i) Impairment Of Non-Financial Assets*

The Association assesses whether its non-financial assets, which include property plant and equipment and intangible assets have any indicators for impairment at the end of the reporting date. When such indicators exist, the non-financial assets are impaired by evaluating the extent to which the recoverable amount of these assets are less than their cost. Method used to determine the recoverable amount includes evaluation of valuation reports and discounted cash flows. Significant judgment is required in the estimation of the present value of future cash flows generated by the assets, which involved uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Change in assumptions could significantly affect the result of the Foundation's test for impairment of assets.

*ii) Impairment Of Financial Assets*

The impairment is established through an assessment of Expected Credit Loss ("ECL") based on available forward-looking information. This is determine based in the ageing profile, expected collection pattern individuals receivable balance, credit quality and credit losses incurred. Management carefully monitors the credit quality of receivable balances and makes estimates about the amount of credit losses that have been incurred at each financial statement reporting date. Any changes to the ageing profile, collection patterns, credit quality and credit losses can have an impact on the impairment recorded.

*iii) Income Taxes*

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Association recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of, these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**PERTUBUHAN PROGRAM CERIA AL-I'TISAM  
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*(Registered under the Societies Act 1966)*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**3 SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the MFRSs and IFRSs and the provisions of the Societies Act 1966.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below:

**3.1 PROPERTY, PLANT AND EQUIPMENT**

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Except for the land, depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives.

	<b><u>Rate</u></b>
Air conditioner	10%
Computer and peripherals	10%
Furniture and fittings	10%
Motor Vehicles	10%
Office equipment	10%
Renovation	10%

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

**3.2 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS**

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.2 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS (CONT'D)**

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and 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.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less to sell, value in use and zero.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

**3.3 FINANCIAL ASSETS**

Financial assets are recognised in the statement of financial position when the Association becomes a party to the contractual provisions of the instrument.

*i) Initial Recognition*

On initial recognition, financial assets are measured at transaction price, including transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

*ii) Classification*

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss ("FVTPL"), financial assets that are debt instruments measured at amortised cost, and financial assets through other comprehensive income ("FVOCI").



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.3 FINANCIAL ASSETS (CONT'D)**

*iii) Impairment Of Financial Assets*

At the end of each reporting period, the Association assesses on a forward-looking basis the Expected Credit Loss ("ECL") of financial assets that are debt instrument measured at amortised cost and FVOCI.

*iv) Derecognition Of Financial Assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the Association transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

**3.4 FINANCIAL LIABILITIES**

Financial liabilities are recognised in the statement of financial position when the Association becomes a party to the contractual provisions of the instrument.

*i) Initial Recognition*

On initial recognition, financial liabilities are measured at transaction price, including transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the Association to the arrangement.

*ii) Classification*

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured and financial guarantees.

*iii) Derecognition Of Financial Liabilities*

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

**3.5 CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flow, cash and cash equivalents include cash and bank balances.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**3.6 PROVISIONS**

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

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

**3.7 REVENUE**

*Donation and Contribution*

Revenue from donation and contribution is recognised on a receipt basis when payment are received.

**3.8 INCOME TAX**

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**4 PROPERTY, PLANT AND EQUIPMENT**

	As at 1 January 2019 RM	Addition RM	As at 31 December 2019 RM
<b><u>Cost</u></b>			
Air conditioner	5,535	-	5,535
Computer and peripherals	33,373	550	33,923
Furniture and fittings	21,581	209	21,790
Land	-	55,620	55,620
Motor vehicles	3,711	-	3,711
Office equipment	22,879	2,704	25,583
Renovation	26,166	-	26,166
	<b>113,245</b>	<b>59,083</b>	<b>172,328</b>

	As at 1 January 2019 RM	Charge for the year RM	As at 31 December 2019 RM
<b><u>Accumulated Depreciation</u></b>			
Air conditioner	2,608	553	3,161
Computer and peripherals	4,830	3,386	8,216
Furniture and fittings	3,059	2,174	5,233
Land	-	-	-
Motor vehicles	191	371	562
Office equipment	3,469	2,480	5,949
Renovation	1,365	2,617	3,982
	<b>15,522</b>	<b>11,581</b>	<b>27,103</b>

	2019 RM	2018 RM
<b><u>Carrying Amounts</u></b>		
Air conditioner	2,374	2,927
Computer and peripherals	25,707	28,543
Furniture and fittings	16,557	18,522
Land	55,620	-
Motor vehicles	3,149	3,520
Office equipment	19,634	19,410
Renovation	22,184	24,801
	<b>145,225</b>	<b>97,723</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	As at 1 January 2018 RM	Addition RM	Disposal RM	As at 31 December 2018 RM
<b><u>Cost</u></b>				
Air conditioner	5,535	-	-	5,535
Computer and peripherals	15,977	25,450	(8,054)	33,373
Furniture and fittings	13,267	10,210	(1,896)	21,581
Motor vehicles	-	3,711	-	3,711
Office equipment	15,253	8,715	(1,089)	22,879
Renovation	3,144	23,022	-	26,166
	53,176	71,108	(11,039)	113,245

	As at 1 January 2018 RM	Charge for the year RM	Disposal RM	As at 31 December 2018 RM
<b><u>Accumulated Depreciation</u></b>				
Air conditioner	2,055	553	-	2,608
Computer and peripherals	5,544	3,209	(3,923)	4,830
Furniture and fittings	2,455	1,477	(873)	3,059
Motor vehicles	-	191	-	191
Office equipment	2,147	1,820	(498)	3,469
Renovation	129	1,236	-	1,365
	12,330	8,486	(5,294)	15,522

	2018 RM	2017 RM
<b><u>Carrying Amounts</u></b>		
Air conditioner	2,927	3,480
Computer and peripherals	28,543	10,433
Furniture and fittings	18,522	10,812
Motor vehicles	3,520	-
Office equipment	19,410	13,106
Renovation	24,801	3,015
	97,723	40,846

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**5 OTHER RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Other receivables	<u>56,062</u>	<u>110,661</u>

Other receivables represent advances for charitable projects expenses and staff loan.

**6 DEPOSIT AND PREPAYMENTS**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Deposits	9,600	10,750
Prepayment	<u>583</u>	<u>268</u>
	<u>10,183</u>	<u>11,018</u>

**7 CASH AND BANK BALANCES**

The Association's cash management policy is to used cash and bank balances, money market instruments, bank overdraft and short-term trade financings to manage cash flows to ensure sufficient liquidity to meet the Association's obligations. The components of cash and bank balances consist of:

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Bank Islam Berhad	90,984	144,279
CIMB Islamic Bank Berhad	41,338	134,696
Maybank Islamic Berhad	119,414	183,429
Cash in hand	<u>7</u>	<u>7</u>
	<u>251,743</u>	<u>462,411</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**8 DEFERRED TAX LIABILITIES**

The following are the movements of deferred tax liabilities:

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
<b><u>Deferred tax liabilities</u></b>		
At 31 December 2018	7,205	-
Transfer to Surplus (Note 13)	<u>(1,628)</u>	<u>7,205</u>
At 31 December 2019	<u>5,577</u>	<u>7,205</u>

The components of deferred tax asset/(liabilities) prior to offsetting are as follows:

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
<b><u>Deferred tax liabilities</u></b>		
Differences between the carrying amounts of property, plant and equipment and their tax base	<u>32,803</u>	<u>40,025</u>

**9 OTHER PAYABLES AND ACCRUALS**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Other payables	40,195	56,305
Accruals	<u>7,946</u>	<u>8,365</u>
	<u>48,141</u>	<u>64,670</u>

**10 INCOME**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Donation	2,467,175	2,472,976
Other income	<u>8,659</u>	<u>1,396</u>
	<u>2,475,834</u>	<u>2,474,372</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**11 CHARITABLE EXPENDITURE**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
Charitable activities expenditure	2,112,954	1,781,850
Staff cost	354,652	280,420
	<u>2,467,606</u>	<u>2,062,270</u>

**12 (DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE BEFORE TAX**

**12.1 DISCLOSURE ITEMS**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
This is stated after charging:		
Audit fee	5,500	5,500
Depreciation	11,581	8,486
Fixed assets written-off	-	5,745
Loss in foreign exchange	122	889
Rental of office	31,200	21,866
	<u>31,200</u>	<u>21,866</u>

**12.2 EMPLOYMENT BENEFIT EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>RM</b>	<b>RM</b>
EPF	7,020	5,999
Insurance	1,479	194
Medical	616	553
Other benefits	3,000	-
Salaries	78,300	44,430
Wages	-	1,500
Welfare	1,576	1,240
	<u>1,576</u>	<u>1,240</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

**13 TAXATION**

	Note	2019 RM	2018 RM
Current year tax		-	31,891
Deferred tax liabilities	8	1,147	7,205
Overprovision of prior year deferred tax liability		<u>(2,775)</u>	<u>-</u>
		<u>(1,628)</u>	<u>39,096</u>

The amount is subject to approval by the Inland Revenue Board of Malaysia.

The Association is in the process of applying for an approved organisation status under section 44(6) of the Income Tax Act, 1967. Approval to be an approved organisation will have an effect on the provision of tax payable of the Association.

The applicable tax rate has been reduced from 18% in prior year to 17% for the current year, as enacted by the government.

The tax reconciliation of income tax expense applicable to (deficit)/surplus of income over expenditure before tax at the statutory rate of the income tax expense and at the effective rate of the Association is as follows:

	2019 RM	2018 RM
(Deficit)/Surplus of income over expenditure before tax	<u>(202,071)</u>	<u>216,288</u>
Tax calculated at Malaysian statutory tax rate of 17% (2018: 18%)	(34,352)	38,932
Tax effects of:		
Expenses not deductible for tax	23	164
Deferred tax assets not recognised during current year	35,476	-
Overprovision of deferred tax in prior year	<u>(2,775)</u>	<u>-</u>
Total income tax (credit)/expense	<u>(1,628)</u>	<u>39,096</u>

**14 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS**

The financial statements of the Association were authorised for issue by the Committee Members  
on **27 JUL 2020**



**PERTUBUHAN PROGRAM CERIA AL-I'TISAM**  
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**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019 RM</b>	<b>2018 RM</b>
<b>REVENUE</b>		
Donation	2,467,175	2,472,976
Other income	8,659	1,396
	<u>2,475,834</u>	<u>2,474,372</u>
<b>CHARITABLE EXPENDITURE</b>		
Charitable activities		
Ace fund	72,536	90,033
Children sponsorship	-	73,267
Clean water project	41,464	44,065
Food aid	757,265	170,227
Disaster fund	-	173,837
Special project	176,117	275,291
	<u>1,047,382</u>	<u>826,720</u>
Humanitarian mission expenditure	-	34,553
Inter-project transfer	588,337	349,395
Non-syariah compliant expenditure	-	6,574
Other charitable expenditure	22,600	6,889
Qurban	252,060	395,830
Unallocated fund	-	27,004
	<u>1,910,379</u>	<u>1,646,965</u>
<b>Other Charitable Expenditures</b>		
Administration cost	2,479	5,411
Advertising and promotion	37,769	12,274
Bakery/Office rental	2,520	2,951
Communication	1,667	830
Facilities rental	8,429	3,712
Handling cost	18,857	18,357
Honorarium and gift	924	1,532
Loss in foreign exchange	288	1,350
Management fee	550	-
Miscellaneous expenses	12,618	13,071
Packaging material	3,080	735
Postage and courier	4,515	3,859
Printing and stationery	78	683
Refreshment	19,333	12,121

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**PERTUBUHAN PROGRAM CERIA AL-I'TISAM**  
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**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

	<b>2019 RM</b>	<b>2018 RM</b>
Repair and maintenance	-	276
Transportation	5,462	6,014
Travelling and accommodation	71,759	49,261
Toll and parking	527	-
Uniform	1,803	500
Upkeep motor vehicles	126	103
Upkeep of computer hardware and software	2,295	544
Visa/Permit	7,496	1,301
	<u>202,575</u>	<u>134,885</u>
Staff cost		
EPF	26,592	18,606
Insurance	3,513	2,776
Medical	1,745	1,607
Other benefits	82,127	68,570
Salary	191,411	151,976
Wages	49,264	36,885
	<u>354,652</u>	<u>280,420</u>
<b>TOTAL CHARITABLE EXPENDITURE</b>	<u>2,467,606</u>	<u>2,062,270</u>
<b>LESS: ADMINISTRATIVE AND OTHER OPERATING EXPENSES</b>		
Employment expenses	91,991	53,916
Administration expenses	109,431	132,055
Other operating expenses	8,877	9,843
<b>TOTAL ADMINISTRATIVE AND OTHER OPERATING EXPENSES</b>	<u>(210,299)</u>	<u>(195,814)</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>	<u>(202,071)</u>	<u>216,288</u>

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**PERTUBUHAN PROGRAM CERIA AL-I'TISAM**  
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**ADMINISTRATIVE AND OTHER OPERATING EXPENSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 RM	2018 RM
<b>Employment Expenses</b>		
Staff cost – EPF	7,020	5,999
Staff cost – Insurance	1,479	194
Staff cost – Medical	616	553
Staff cost – Other benefits	3,000	-
Staff cost – Salaries	78,300	44,430
Staff cost – Wages	-	1,500
Staff cost – Welfare	1,576	1,240
	<u>91,991</u>	<u>53,916</u>
<b>Administration Expenses</b>		
Advertising and marketing	6,738	20,375
Communication expenses	9,447	8,570
Custom fee	82	-
Depreciation	11,581	8,486
Donation and sponsorship	-	2,899
Entertainment	271	1,800
Fixed assets written-off	-	5,745
Honorarium and gift	-	66
IT expenses	10,477	10,628
Legal and professional fee	1,140	1,015
Loss in foreign exchange	122	889
Miscellaneous expenses	776	2,028
Office refreshment	2,186	2,209
Petrol, toll and parking	600	126
Penalty	-	10
Postage and courier	3,727	10,158
Printing and stationeries	3,946	4,804
Publication	120	15
Registration and license fee	-	200
Rental of office	31,200	21,866
Rental of office equipment	3,272	1,895
Training and seminar	1,750	-
Translation service fee	1,210	-
Transportation	-	830
Travelling and accommodation	3,978	4,431
Uniform	71	1,700
Upkeep of air conditioner	280	3,048
Upkeep of computer software and hardware	1,224	2,232

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**ADMINISTRATIVE AND OTHER OPERATING EXPENSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

	<b>2019</b> <b>RM</b>	<b>2018</b> <b>RM</b>
Upkeep of office	7,945	6,099
Upkeep of office equipment	1,326	2,221
Utilities	5,962	7,710
	<u>109,431</u>	<u>132,055</u>
<b>Other operating expenses</b>		
Audit fee	5,500	5,500
Bank charges	3,377	4,343
	<u>8,877</u>	<u>9,843</u>

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