

**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 2023**

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

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

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

|                                  |             | <b>2023</b>    | <b>2022</b>    |
|----------------------------------|-------------|----------------|----------------|
|                                  | <b>Note</b> | <b>RM</b>      | <b>RM</b>      |
| Non-Current Assets:              |             |                |                |
| Property, plant and equipment    | 3           | 291,635        | 271,808        |
| Total non-current assets         |             | <u>291,635</u> | <u>271,808</u> |
| Current Assets:                  |             |                |                |
| Other receivables                | 4           | 221,545        | 40,919         |
| Cash and bank balances           |             | <u>449,456</u> | <u>484,040</u> |
| Total current assets             |             | <u>671,001</u> | <u>524,959</u> |
| Total Assets                     |             | <u>962,636</u> | <u>796,767</u> |
| Accumulated funds:               |             |                |                |
| Accumulated funds at 1 January   |             | 750,315        | 296,380        |
| Surplus for the year             |             | <u>178,732</u> | <u>454,416</u> |
| Accumulated funds at 31 December |             | <u>929,047</u> | <u>750,796</u> |
| Current Liabilities:             |             |                |                |
| Other payables                   |             | 25,708         | 34,712         |
| Current tax liabilities          |             | <u>7,881</u>   | <u>11,259</u>  |
| Total liabilities                |             | <u>33,589</u>  | <u>45,971</u>  |
| Total Funds and Liabilities      |             | <u>962,636</u> | <u>796,767</u> |

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

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**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

|   |             | <b>2023</b>             | <b>2022</b>             |
|---|-------------|-------------------------|-------------------------|
|   | <b>Note</b> | <b>RM</b>               | <b>RM</b>               |
| <b><u>INCOME</u></b>                              |             |                         |                         |
| Donations   |             | 8,724,071               | 4,638,445               |
| Gain on disposal of property, plant and equipment |             | -                       | 8,943                   |
| Gain on foreign exchange - realised               |             | 5                       | 105                     |
| Interest income                                   |             | 105                     | 117                     |
| Other income                                      |             | 63,571                  | -                       |
|   |             | <b><u>8,787,752</u></b> | <b><u>4,647,610</u></b> |
| <b><u>EXPENDITURES</u></b>                        |             |                         |                         |
| <b>Charitable expenditure</b>                     |             |                         |                         |
| Ace fund  |             | 53,401                  | 98,606                  |
| Clean water projects                              |             | 523,731                 | 420,691                 |
| Food aid  |             | 2,208,598               | 850,112                 |
| Other charitable expenses                         |             | 227,226                 | 290,433                 |
| Other projects expenditure                        | 5           | 2,497,764               | 694,847                 |
| Qurban  |             | 1,018,432               | 251,758                 |
| Special projects                                  |             | 848,523                 | 372,192                 |
| Staff costs                                       |             | 558,231                 | 467,122                 |
|   |             | <b><u>7,935,906</u></b> | <b><u>3,445,761</u></b> |
| <b>Administrative expenses</b>                    |             |                         |                         |
| Advertisement                                     |             | 35,070                  | 267,312                 |
| Auditors' remunerations                           |             | 16,500                  | 8,000                   |
| Bank charges                                      |             | 63,272                  | 11,975                  |
| Depreciation of property, plant and equipment     |             | 27,129                  | 21,244                  |
| Entertainment                                     |             | 4,680                   | 4,813                   |
| General expenses                                  |             | 32                      | 353                     |
| Honorarium and gift                               |             | 2,973                   | 1,408                   |
| Insurance   |             | -                       | 206                     |
| Legal and professional fee                        |             | -                       | 300                     |
| Loss on disposal of plant and equipment           |             | 354                     | -                       |
| Loss on foreign exchange - unrealised             |             | 61                      | -                       |
| Meal and refreshment                              |             | 1,413                   | 373                     |
| Office expenses                                   |             | 1,298                   | 1,878                   |
| Other assets written off                          |             | -                       | 23,279                  |
| Penalty   |             | 25                      | -                       |
| Postage   |             | -                       | 51                      |
| Printing and stationery                           |             | 5,496                   | 6,311                   |

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

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**STATEMENT OF INCOME AND EXPENDITURE (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

|   | <b>2023</b>           | <b>2022</b>           |
|---|-----------------------|-----------------------|
|   | <b>RM</b>             | <b>RM</b>             |
| Property, plant and equipment written-off | -                     | 65,658                |
| Registration and license fee              | 12,174                | 1,320                 |
| Rental                                    | 42,000                | 48,900                |
| Rental of equipment                       | 2,983                 | 3,045                 |
| Road tax and insurance                    | -                     | 50                    |
| Secretarial fees                          | 20                    | 1,099                 |
| Service tax                               | 2,423                 | 232                   |
| Stamp duty                                | 20                    | 558                   |
| Taxation fee                              | 418                   | -                     |
| Telephone and fax charges                 | 13,500                | 9,296                 |
| Toll and parking                          | 143                   | 208                   |
| Training fee                              | -                     | 4,506                 |
| Translation fee                           | -                     | 600                   |
| Transportation                            | 890                   | 382                   |
| Travelling expenses                       | 9,872                 | 3,212                 |
| Upkeep of office equipment                | 6,845                 | 8,214                 |
| Upkeep of premises                        | 18,349                | 15,142                |
| Utilities                                 | 8,762                 | 8,294                 |
| Website development                       | 71,588                | -                     |
| Website hosting                           | <u>8,966</u>          | <u>15,008</u>         |
|   | <u>357,256</u>        | <u>533,227</u>        |
| <b>Staff costs</b>                        |                       |                       |
| EPF                                       | 23,306                | 18,598                |
| Salaries, bonus and allowances            | 178,117               | 154,060               |
| Socso and insurance contribution          | 26,500                | 9,853                 |
| Other benefits                            | <u>87,935</u>         | <u>42,353</u>         |
|   | <u>315,858</u>        | <u>224,864</u>        |
| <b>Surplus before tax</b>                 | <b>178,732</b>        | <b>443,758</b>        |
| Deferred tax income                       | -                     | 10,658                |
| <b>Surplus for the year</b>               | <b><u>178,732</u></b> | <b><u>454,416</u></b> |

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**STATEMENT OF RECEIPT AND PAYMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

|   | <b>2023</b>           | <b>2022</b>           |
|---|-----------------------|-----------------------|
|   | <b>RM</b>             | <b>RM</b>             |
| <b>Receipt</b>  |                       |                       |
| Donations   | 8,724,071             | 4,638,445             |
| Interest income   | 105                   | 117                   |
| Other income  | 63,571                | -                     |
| Proceeds from disposal of property, plant and equipment | 4,200                 | 18,701                |
|   | <u>8,791,947</u>      | <u>4,657,263</u>      |
| <b>Payment</b>  |                       |                       |
| Charitable expenditure                                  | 8,121,766             | 4,337,252             |
| Administrative expenses                                 | 309,935               | 335,016               |
| Staff costs   | 339,759               | 224,864               |
| Deposit (received)/paid                                 | (5,417)               | 8,686                 |
| Purchase of property, plant and equipment               | 51,510                | 176,317               |
| Staff loan  | 5,600                 | -                     |
| Tax paid  | 3,378                 | 12,385                |
|   | <u>8,826,531</u>      | <u>5,094,520</u>      |
| <b>Deficit for the year</b>                             | <b>(34,584)</b>       | <b>(437,257)</b>      |
| <b>Cash and cash equivalents at 1 January</b>           | <b>484,040</b>        | <b>921,297</b>        |
| <b>Cash and cash equivalents at 31 December</b>         | <b><u>449,456</u></b> | <b><u>484,040</u></b> |

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 2023**

**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 27 April 2024.

**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**

|                                  | <b>At 1</b>    |                 |                    | <b>At 31</b>    |
|----------------------------------|----------------|-----------------|--------------------|-----------------|
|                                  | <b>January</b> |                 | <b>Disposal/</b>   | <b>December</b> |
|                                  | <b>2023</b>    | <b>Addition</b> | <b>Written-off</b> | <b>2023</b>     |
|                                  | <b>RM</b>      | <b>RM</b>       | <b>RM</b>          | <b>RM</b>       |
| <b>Cost:</b>                     |                |                 |                    |                 |
| Land                             | 55,620         | -               | -                  | 55,620          |
| Computer and peripherals         | 50,893         | 42,333          | (4,879)            | 88,347          |
| Furniture and fittings           | 49,779         | 7,395           | -                  | 57,174          |
| Office equipment                 | 72,722         | 1,782           | -                  | 74,504          |
| Motor vehicles                   | 3,711          | -               | -                  | 3,711           |
| Renovation                       | 76,696         | -               | -                  | 76,696          |
|                                  | <u>309,421</u> | <u>51,510</u>   | <u>(4,879)</u>     | <u>356,052</u>  |
| <b>Accumulated depreciation:</b> |                |                 |                    |                 |
| Computer and peripherals         | 7,339          | 6,694           | (325)              | 13,708          |
| Furniture and fittings           | 5,539          | 5,290           | -                  | 10,829          |
| Office equipment                 | 15,434         | 7,104           | -                  | 22,538          |
| Motor vehicles                   | 1,676          | 371             | -                  | 2,047           |
| Renovation                       | 7,625          | 7,670           | -                  | 15,295          |
|                                  | <u>37,613</u>  | <u>27,129</u>   | <u>(325)</u>       | <u>64,417</u>   |
|                                  |                |                 |                    |                 |
|                                  |                |                 | <b>2023</b>        | <b>2022</b>     |
|                                  |                |                 | <b>RM</b>          | <b>RM</b>       |
| <b>Net carrying amount:</b>      |                |                 |                    |                 |
| Land                             |                |                 | 55,620             | 55,620          |
| Computer and peripherals         |                |                 | 74,639             | 43,554          |
| Furniture and fittings           |                |                 | 46,345             | 44,240          |
| Office equipment                 |                |                 | 51,966             | 57,288          |
| Motor vehicles                   |                |                 | 1,664              | 2,035           |
| Renovation                       |                |                 | 61,401             | 69,071          |
|                                  | <u>291,635</u> |                 | <u>271,808</u>     |                 |

**4. OTHER RECEIVABLES**

|                              | <b>2023</b>    | <b>2022</b>   |
|------------------------------|----------------|---------------|
|                              | <b>RM</b>      | <b>RM</b>     |
| Project and mission advances | 191,549        | 11,116        |
| Deposits and prepayment      | 16,660         | 22,077        |
| Staff loan                   | 13,336         | 7,726         |
|                              | <u>221,545</u> | <u>40,919</u> |

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**5. OTHER PROJECT EXPENDITURE**

|  | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
|  | <b>RM</b>   | <b>RM</b>   |
| Accommodation                            | 571         | 3,104       |
| Advertising and promotion                | 2,234,921   | 485,564     |
| Bakery/office rental                     | 3,215       | 3,630       |
| Facilities rental                        | 3,326       | 5,711       |
| Food and refreshment                     | 7,932       | 14,225      |
| Handling cost                            | 80,506      | 42,657      |
| Honorarium and gift                      | -           | 2,217       |
| Hygiene supply                           | 8,231       | 11,891      |
| Internet                                 | 89          | -           |
| Livestock                                | 35,243      | 43,832      |
| Loss in foreign exchange                 | 2,955       | 1,969       |
| Misc expenses                            | 2,829       | 9,033       |
| Packaging material                       | 4,564       | 6,328       |
| Postage and stamps                       | 2,990       | 15,454      |
| Printing and stationery                  | 5,104       | 1,794       |
| Repair and maintenance                   | -           | 1,205       |
| Telephone                                | 875         | 1,786       |
| Toll and parking                         | 35          | 398         |
| Transportation                           | 30,502      | 18,591      |
| Travelling                               | 59,745      | 12,322      |
| Uniform                                  | 740         | 3,260       |
| Upkeep of computer hardware and software | 124         | -           |
| Upkeep of motor vehicles                 | 635         | 8,563       |
| Visa/permit fee                          | 12,632      | 1,313       |
|  | <hr/>       | <hr/>       |
|  | 2,497,764   | 694,847     |

**6. TAXATION**

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

**7. COMPARATIVES**

The comparatives figures have been restated to conform with current year's presentation.