

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

	Note	2023 RM	2022 RM
Non-Current Assets:			
Property, plant and equipment	3	<u>291,635</u>	<u>271,808</u>
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

	Note	2023 RM	2022 RM
<u>INCOME</u>			
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	-
		8,787,752	4,647,610
<u>EXPENDITURES</u>			
Charitable expenditure			
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
		7,935,906	3,445,761
Administrative expenses			
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

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

	2023	2022
	RM	RM
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	8,966	15,008
	<u>357,256</u>	<u>533,227</u>
Staff costs		
EPF	23,306	18,598
Salaries, bonus and allowances	178,117	154,060
Socso and insurance contribution	26,500	9,853
Other benefits	87,935	42,353
	<u>315,858</u>	<u>224,864</u>
Surplus before tax	178,732	443,758
Deferred tax income	-	10,658
Surplus for the year	<u>178,732</u>	<u>454,416</u>

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PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)
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STATEMENT OF RECEIPT AND PAYMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	RM	RM
Receipt		
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>
Payment		
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>
Deficit for the year	(34,584)	(437,257)
Cash and cash equivalents at 1 January	484,040	921,297
Cash and cash equivalents at 31 December	<u>449,456</u>	<u>484,040</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 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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	At 1 January 2023 RM	Addition RM	Disposal/ Written-off RM	At 31 December 2023 RM
Cost:				
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>

Accumulated depreciation:

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>

	2023 RM	2022 RM
Net carrying amount:		
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

	2023 RM	2022 RM
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>

PERTUBUHAN CERIA ILTIZAM (ILTIZAM RELIEF SOCIETY)**(Registration No.: PPM-014-10-08042013)****(Registered under Societies Act 1966)****5. OTHER PROJECT EXPENDITURE**

	2023	2022
	RM	RM
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
	<u>2,497,764</u>	<u>694,847</u>

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.