Registration No.

201501023371 (1148700-X)

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Registration No.

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CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2023. To the best of their knowledge, the operations and business of the Company have been conducted in manners which are compliant with the Shariah principles.

PRINCIPAL ACTIVITIES

The principal activities of the Company, which was incorporated on 17 June 2015, are to develop, establish and issue, or collaborate in standards for Islamic finance development with respect to academic or professional qualifications by Islamic finance institutions. The Company also serves as common platform for Islamic finance professionals to express their concerns in the fields of Islamic finance.

FINANCIAL RESULTS

	RM
Net deficit for the financial year	(1,242,619)

DIRECTORS

The Directors who have held office during the financial year and during the period from the end of the financial year to the date of the report are:

YBhg. Dato' Badlisyah bin Abdul Ghani F.CPIF (Retired on 15 June 2023)
Mr. Abdul Rahman bin Mohd Yusoff CPIF (Retired on 15 June 2023)
Dr. Syed Adam Alhabshi CPIF (Retired on 15 June 2023)
Dr. Irum Saba CPIF
Mr. Masumi Hamahira CPIF
YBhg. Dato' Haji Syed Moheeb bin Dato' Syed Kamarulzaman F.CPIF
Mr. Elmie bin Dato' Haji Aman Najas CPIF
Dr. Muhammad bin Md Husin CPIF
Dr. Ahcene Lahsasna CPIF
Dr. Siti Muawanah binti Hj Lajis CPIF
Ms. Norashikin binti Mohd Kassim CPIF
Mr. Kamarul Ariffin Mohd Jamil CPIF (Retired on 15 June 2023)
Mohd Radzuan bin Mohamed (Appointed on 5 January 2023)
Mohsin Shaik bin Sehu Mohamed (Appointed on 5 January 2023)
Dr Mohamed Ayaz bin Mohamed Ismail (Appointed on 5 January 2023)
Kemal Rizadi Arbi (Appointed on 21 September 2023)
Muhammad Aiman bin Mohamad Salmi (Appointed on 21 September 2023)
Shahrul Azlan bin Shahriman (Appointed on 21 September 2023)
Syed Abdull Aziz Jailani bin Syed Kechik (Appointed on 21 September 2023)

ISSUES OF SHARES AND DEBENTURES

The Company is incorporated as a company limited by guarantee and does not have share capital.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any share or debentures in the Company or its holding company or subsidiaries of the holding company during the financial year.

DIRECTORS' BENEFITS

At the end of the financial year, no Directors has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

	RM
Directors' other emoluments	4,300

The Directors' were not given any indemnity or insurance by the Company.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

OTHER STATUTORY INFORMATION (CONTINUED)

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or

  (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(c) At the date of this report:

  (i) there are no charges on the assets of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

  (ii) there are no contingent liabilities in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability of any company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

  (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

  (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

AUDITORS' REMUNERATION

Auditors' remuneration of the Company for the financial year ended 31 December 2023 amounted to RM 20,000.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 4 June 2024. Signed on behalf of the Board of Directors:

DATO' SYED MOHEEB SYED KAMARULZAMAN	TUAN SYED ABDULL AZIZ JAILANI SYED KECHIK
DIRECTOR	DIRECTOR

Kuala Lumpur
4 June 2024

Registration No.
201501023371 (1148700-X)

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
NON-CURRENT ASSETS			
Property and equipment	2	200,496	383,469
Intangible assets	3	431,434	502,877
Right-of-use assets	4	381,375	25,015
		1,013,305	911,361
CURRENT ASSETS			
Cash and cash equivalents	5	535,692	1,482,539
Fixed deposit with licensed bank	6	-	600,000
Membership fee receivable	7	37,104	20,485
Programme fee receivable		50,450	87,700
Right-of-use assets	4	-	141,369
Other receivables, deposits and prepayments	8	94,092	58,927
		717,338	2,391,020
TOTAL ASSETS		1,730,643	3,302,381
CURRENT LIABILITIES			
Other liabilities	9	1,361,825	1,211,565
Programme fees received in advance	10	1,886,455	2,554,840
Lease liabilities	11	192,112	172,136
Provision for taxation		1,453	-
Term financing	13	200,000	-
		3,641,845	3,938,541
NON-CURRENT LIABILITIES			
Term financing	13	3,760,470	4,543,067
Deferred grant	13	2,039,530	1,456,933
Lease liabilities	11	192,407	24,830
		5,992,407	6,024,830
TOTAL LIABILITIES		9,634,252	9,963,371
Net current liabilities		(2,924,507)	(1,547,521)
Net liabilities		(7,903,609)	(6,660,990)
Represented by:			
Accumulated deficit		(7,903,609)	(6,660,990)

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

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Revenue	14	1,690,858	1,114,125
Other income	15	325,349	415,275
Staff costs	16	(1,408,364)	(1,670,205)
Administrative and general expenses	17	(148,243)	(190,892)
Other operating expenses	18	(1,262,854)	(1,275,318)
Total expenses		(2,809,461)	(3,136,415)
Allowance for impairment losses	7	(166,631)	(148,487)
Profit expense	19	(281,281)	(330,607)
Deficit before taxation		(1,241,166)	(2,086,109)
Taxation	12	(1,453)	(435)
Net deficit for the financial year		(1,241,619)	(2,086,544)

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

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
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STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Total RM
2023	
As at 1 January 2023	(6,660,990)
Net deficit for the financial year	(1,242,619)
At 31 December 2023	(7,903,609)
2022	
As at 1 January 2022	(4,574,446)
Net deficit for the financial year	(2,086,544)
At 31 December 2022	(6,660,990)

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

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CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before taxation		(1,241,166)	(2,086,109)
Adjustment for:			
Depreciation of property and equipment		183,840	183,648
Amortisation of intangible assets		170,943	155,477
Hibah from Wadiah account		(540)	(587)
Allowance for impairment losses		(166,631)	(148,487)
Profit income from fixed deposit		(7,294)	(24,189)
Profit expense on lease liabilities		10,608	20,118
Amortisation of deferred grant		(582,597)	(310,489)
Profit expense on term financing		582,597	310,489
Depreciation of right-of-use asset		168,050	164,940
Gain on disposal of equipments		-	(3,497)
Loss on lease modification		-	13,840
Operating loss before changes in working capital		(882,190)	(1,724,846)
Decrease in membership fee receivable		150,011	132,409
Decrease/(Increase) in programme fees receivable		37,251	(25,099)
(Increase)/Decrease in other receivables, deposits and prepayments		(35,165)	24,697
(Decrease)/Increase in programme fees received in advance		(668,385)	749,680
Increase/(Decrease) in other liabilities		150,259	(54,664)
Income tax paid			(1,001)
Net cash flows utilised in operating activities		(1,248,219)	(898,824)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(867)	-
Purchase of intangible assets		(99,500)	(64,750)
Hibah from Wadiah account		540	587
Profit income from fixed deposit		7,294	33,471
Placements of fixed deposit		(600,000)	(1,600,000)
Withdrawal of fixed deposit		1,200,000	3,000,000
Proceeds from disposal of equipment		-	3,497
Net cash generated from/(utilised in) investing activities		507,467	1,372,805
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liabilities	11	(206,095)	(197,421)
Net cash utilised in financing activities		(206,095)	(197,421)

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	2023 RM	2022 RM
Net (decrease)/increase in cash and cash equivalents		(946,847)	276,560
Cash and cash equivalents as at 1 January		1,482,539	1,205,979
Cash and cash equivalents as at 31 December	5	535,692	1,482,539

A reconciliation of liabilities from financing activities to the statement of financial position and statement of cash flows are as follows:

	Lease liabilities RM	Term financing RM	Deferred grant RM	Total RM
2023				
As at 1 January 2023	196,966	4,543,067	1,456,933	6,196,966
Profit expense on lease liabilities	10,608	-	-	10,608
Profit expense on term financing	-	(582,597)	-	(582,597)
Amortisation of deferred grant	-	-	582,597	582,597
Repayment of principal portion of lease liabilities	(206,095)	-	-	(206,095)
Lease additions during the year	383,040	-	-	383,040
Lease modification	-	-	-	-
Loss on lease modification	-	-	-	-
As at 31 December 2023	384,519	3,960,470	2,039,530	6,384,519
2022				
As at 1 January 2022	324,348	4,232,578	1,767,422	6,324,348
Profit expense on lease liabilities	20,118	-	-	20,118
Profit expense on term financing	-	310,489	-	310,489
Amortisation of deferred grant	-	-	(310,489)	(310,489)
Repayment of principal portion of lease liabilities	(197,421)	-	-	(197,421)
Lease additions during the year	32,162	-	-	32,162
Lease modification	3,919	-	-	3,919
Loss on lease modification	13,840	-	-	13,841
As at 31 December 2022	196,966	4,543,067	1,456,933	6,196,966

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

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Unless otherwise stated, the following material accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements.

A BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and comply with the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in this summary of material accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. There are no critical accounting estimates and assumptions used that are significant to the financial statements.

<u>Going concern</u>

As at 31 December 2023, the Company's current liabilities exceeded its current assets by RM 2,924,507 In addition, the Company incurred a net deficit for the financial year of RM 1,242,619 and net operating cash outflow of RM 1,248,219 for the financial year then ended.

The net deficit incurred by the Company for the financial year ended 31 December 2023, the net current liabilities of the Company as at that date, the ability of the Company to generate positive cash flows from programme fees and make timely repayments for term financing of the Company indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern, and therefore, may be unable to realise the assets and discharge the liabilities in the normal course of business.

The Directors prepared a set of cash flow projections for the 24-months period ending 31 December 2025 in assessing whether it is appropriate to prepare the financial statements of the Company for the year ended 31 December 2023 on a going concern basis. In addition, the Directors have taken the following measures to mitigate the existence of material uncertainties on the going concern and ensure that the Company meets its obligations as they fall due:

- Introduction of a number of initiatives including collaborations on new programmes with Malaysian Takaful Association and partnership with Islamic Financial Institution on a management trainee programme;
- Registering Chartered Professional in Islamic Finance programme as a professional programme approved by Human Resource Development Corporation for Human Resource Development Fund claim to improve its marketability;
- Membership drive through introduction of various pathways to Chartered membership including Recognition of Prior Learning;
- Enhancement of the offering of existing Chartered Fast-Track Masterclass programme for local and international participants, and partnership with a foreign university to deliver the Chartered Professional in Islamic Finance; and
- Managing the cost of operations of the Company through cost saving measures and negotiation of payment terms with vendors and creditors.

A BASIS OF PREPARATION (CONTINUED)

Going concern (continued)

Based on the measures taken above, the Directors, therefore, believe that it is appropriate to prepare the financial statements of the Company for the financial year ended 31 December 2023 on a going concern basis.

(a) Standards and amendments to published standards and interpretations that are effective

The following standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2023:

- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on “Disclosure of Accounting Policies” and “Definition of Accounting Estimates”
- Amendments to MFRS 112 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”
- Amendments to MFRS 112 “International Tax Reform—Pillar Two Model Rules”

The adoption of the amendments that are applicable from the financial year beginning on 1 January 2023 did not have any significant impact on the financial position and results of the Company.

(b) Standards and amendments to published standards that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 February 2023. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ (effective 1 January 2024) clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).
- In addition, the amendments clarify that when a liability could be settled by the transfer of an entity’s own equity instruments (e.g. a conversion option in a convertible bond), conversion option meeting the definition of an equity instrument in MFRS 132 ‘Financial Instruments: Presentation’ does not impact the current or non-current classification of the convertible instrument.
- The amendments also specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Company.

SUMMARY OF MATERIAL ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

B PROPERTY, PLANT AND EQUIPMENT

Property and office equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight line basis so as to write off the cost of property and equipment over their estimated useful lives. The principal annual rates of depreciation used are as follows:

Office equipment	20%
Furniture and fittings	20%
Computers	33%
Renovations	20%

Depreciation on assets under construction commences when the assets are ready for their intended use.

At each date of the statement of financial position, the Company assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are charged / credited to the statement of comprehensive income.

C INTANGIBLE ASSETS

i) Licenses, patents and trademarks

Separately acquired licenses, patents and trademarks are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. Licenses, patents and trademarks have a finite useful life and are carried at cost less accumulated amortisation and accumulated losses. Amortisation is calculated using the straight-line method to allocate the cost of licences, patents and trademarks over their estimated useful lives of 10 years.

ii) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

(i) it is technically feasible to complete the software product so that it will be available for use or sale;
(ii) management intends to complete the software product and use or sell it;
(iii) there is an ability to use or sell the software product;
(iv) it can be demonstrated how the software product will generate probable future economic benefits;
(v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
(vi) the expenditure attributable to the software product during its development can be reliably measured.

C INTANGIBLE ASSETS (CONTINUED)

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding 10 years.

D IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

E FINANCIAL ASSETS

(a) Classification

The Company classifies its financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired.

The Company has classified cash and cash equivalents, fixed deposit with licensed bank, membership fee receivable, programme fee receivable and other receivables and deposits as amortised cost.

(b) Recognition and de-recognition

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at fair value through profit or loss.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

E FINANCIAL ASSETS (CONTINUED)

(c) Measurement

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset for all financial assets not carried at fair value through profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classified its debt instruments in the following measurement category.

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and profit ("SPPI") are measured at amortised cost. Profit income from these financial assets is recognised in the statement of comprehensive income using the effective profit rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of comprehensive income.

(d) Subsequent measurement – Impairment

Expected credit losses ("ECL") are recognised for financial assets held at amortised cost. The Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all financial assets. The expected loss rates are based on the payment profiles of services rendered over a 72 months period before reporting date and the corresponding historical credit loss experienced within this period.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit-impaired.

F CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and deposits with licensed financial institutions that are readily convertible to known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

G FINANCIAL LIABILITIES

Financial liabilities are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using effective profit method.

Financial liabilities of the Company comprise other payables and accruals, lease liabilities and term financing in the statement of financial position.

A financial liability is derecognised when they have been redeemed or otherwise extinguished.

H EMPLOYEE BENEFITS

Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured at the amounts expected to be paid when the liabilities are settled and are expensed as the related service is provided.

Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employee Provident Fund (EPF). Such contribution are recognised as an expense in the statement of profit or loss as incurred.

I INCOME RECOGNITION

Income as presented in the statement of comprehensive income is revenue as defined under MFRS 15 – Revenue from Contracts with Customers. The following accounting policies relate to the Company key income streams.

Membership fees are payable annually at the beginning of the financial year. As member simultaneously receives and consumes the benefits of goods and services as provided over twelve months, such revenue is amortised over time. Subscriptions relating to periods beyond the current financial year is recognised as subscriptions in advance under current liabilities in the statement of financial position.

Processing fees are recognised upon receipts of the fees.

Programme fees are recognised upon the delivery of the programmes and courses. Advanced payments received from programmes and courses are recognised as deferred income under current liabilities in the statement of financial position.

Fund from Staff Training Fund (STF-i) are recognised as other income in statement of comprehensive income when the right to receive payment is established.

Amortisation of deferred grant is recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the profit expense on the financing for which the grant is intended to compensate.

Other incomes are recorded as earned or as the services are performed.

J RECOGNITION OF PROFIT INCOME AND HIBAH

Income and hibah are recognised on deposits placements and current accounts using the effective profit method on an accrual basis.

K FUNCTIONAL AND PRESENTATION CURRENCY

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

L LEASES

(a) Right-of-use (“ROU”) assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liabilities;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset’s useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

(b) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments are discounted using the profit rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee’s incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and profit expense. The profit expense is charged to profit or loss over the lease period to produce a constant periodic rate of profit on the remaining balance of the liability for each period.

L LEASES (CONTINUED)

(b) Lease liabilities (continued)

During the financial year, the Company elects to account for a Covid-19 related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

(i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(ii) any reduction in lease payments affects only payments due on or before 30 June 2023; and
(iii) there is no substantive change to other terms and conditions of the lease.

The Company accounts for such Covid-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. The Company presents the impacts of rent concessions within profit or loss.

M GOVERNMENT GRANT

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are recognised in profit or loss over the periods to match the related costs for which the grants are intended to compensate.

Government grants relating to the financing are presented as deferred government grants within non-current liabilities and credited to profit or loss on a straight-line basis to match the profit expense on the term financing for which the grant is intended to compensate.

N TERM FINANCING

Term Financing is recognised initially at fair value. It is subsequently carried at amortised cost. Refer to accounting policy G for recognition and measurement and derecognition. The benefit of the below-market rate of profit is measured as the difference between the initial carrying value of the term financing and the proceeds received, and is accounted for as a government grant.

O PROFIT EXPENSE

Profit expense on term financing is accreted over the contractual terms using effective profit rate method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

The Company is incorporated and domiciled in Malaysia as a company limited by guarantee, without share capital. The Company was incorporated on 17 June 2015.

The objects of the Company are to develop, establish and issue, or collaborate in standards for Islamic finance development with respect to academic or professional qualifications by Islamic finance institutions and related matters. The Company also serves as common platform for Islamic finance professionals to express their concerns in the fields of Islamic finance.

There were no significant changes in these activities during the financial year.

The address of the registered office of the Company is Suite 13.03, 13th Floor, Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur. The address of principal place of business of the Company is B01-A-06-1, Level 6, Menara 2, KL Eco City, No. 3, Jalan Bangsar, 59200 Kuala Lumpur.

The financial statements were approved by the Grand Council on 4 June 2024.

2 PROPERTY AND EQUIPMENT

	Office equipment RM	Furniture and fittings RM	Computers RM	Renovations RM	Total RM
2023					
Cost					
As at 1 January 2023	152,286	367,494	16,016	471,783	1,007,579
Additions	-	-	867	-	867
Disposals	-	-	-	-	-
As at 31 December 2023	152,286	367,494	16,883	471,783	1,008,446
Accumulated depreciation					
As at 1 January 2023	94,764	225,247	13,051	291,048	624,110
Charge for the financial year	26,582	65,642	3,588	88,028	183,840
Disposals	-	-	-	-	-
As at 31 December 2023	121,346	290,889	16,639	379,076	807,950
Net book value					
As at 31 December 2023	30,940	76,605	244	92,707	200,496

2 PROPERTY AND EQUIPMENT (CONTINUED)

	Office equipment RM	Furniture and fittings RM	Computers RM	Renovations RM	Total RM
2022					
Cost					
As at 1 January 2022 / 31 December 2022	152,286	367,494	16,016	471,783	1,007,579
Accumulated depreciation					
As at 1 January 2022	68,182	159,605	9,656	203,019	440,462
Charge for the financial year	26,582	65,642	3,395	88,029	183,648
As at 31 December 2022	94,764	225,247	13,051	291,048	624,110
Net book value					
As at 31 December 2022	57,522	142,247	2,965	180,735	383,469

3 INTANGIBLE ASSETS

	Trademark RM	Portal website RM	Total RM
2023			
Cost			
As at 1 January 2023	46,173	789,375	835,548
Additions	-	99,500	99,500
As at 31 December 2023	46,173	888,875	935,048
Accumulated amortisation			
As at 1 January 2023	29,243	303,428	332,671
Charge for the financial year	4,617	166,326	170,943
As at 31 December 2023	33,8610	469,753	503,614
Net book value			
As at 31 December 2023	12,313	419,121	431,434
2022			
Cost			
As at 1 January 2022	46,173	724,625	770,798
Additions	-	64,750	64,750
As at 31 December 2022	46,173	789,375	835,548
Accumulated amortisation			
As at 1 January 2022	24,626	152,568	177,194
Charge for the financial year	4,617	150,860	155,477
As at 31 December 2022	29,243	303,428	332,671
Net book value			
As at 31 December 2022	16,930	485,947	502,877

4 RIGHT-OF-USE ASSETS

	Office premise RM	Office equipment RM	Total RM
2023			
Cost			
As at 1 January 2023	675,463	32,162	707,625
Matured during the year	(675,463)	-	(675,463)
Additions during the year	383,041	-	383,041
As at 31 December 2023	383,041	32,162	415,203
Accumulated depreciation			
As at 1 January 2023	534,094	7,147	541,241
Matured during the year	(675,463)	-	(675,463)
Charge for the financial year	157,329	10,721	168,050
As at 31 December 2023	15,960	17,868	33,828
Net book value			
As at 31 December 2023	367,081	14,294	381,375
Current	-	-	-
Non-current	367,081	14,294	381,375
As at 31 December 2023	367,081	14,294	381,375

4 RIGHT-OF-USE ASSETS (CONTINUED)

	Office premise RM	Office equipment RM	Total RM
2022			
Cost			
As at 1 January 2022	671,544	32,162	703,706
Matured during the year	-	(32,162)	(32,162)
Additions during the year	-	32,162	32,162
Modifications	3,919	-	3,919
As at 31 December 2022	675,463	32,162	707,622
Accumulated depreciation			
As at 1 January 2022	379,874	28,589	408,463
Matured during the year	-	(32,162)	(32,162)
Charge for the financial year	154,220	10,720	164,940
As at 31 December 2022	534,094	7,147	541,241
Net book value			
As at 31 December 2022	141,369	25,015	166,384
Current	141,369	-	141,369
Non-current	-	25,015	25,015
As at 31 December 2022	141,369	25,015	166,384

5 CASH AND CASH EQUIVALENTS

	2023 RM	2022 RM
Cash in hand	1,973	402
Cash at bank	533,719	1,482,137
	535,692	1,482,539

6 FIXED DEPOSIT WITH LICENSED BANK

	2023 RM	2022 RM
Fixed deposits with original maturity above 3 months	-	600,000

For the financial year ended 31 December 2022, the effective weighted average profit rate is 3.05% per annum and the deposits have a remaining maturity of 55 days.

7 MEMBERSHIP FEE RECEIVABLE

	2023 RM	2022 RM
Membership fees receivable	924,290	741,040
Allowance for impairment losses	(887,186)	(720,555)
	37,104	20,485

The carrying amounts approximate fair values at the date of the statement of financial position.

A reconciliation of the allowance for impairment is as follows:

	2023 RM	2022 RM
As at 1 January	(720,555)	(572,068)
Allowance made during the financial year	(166,631)	(148,487)
As at 31 December	(887,186)	(720,555)

8 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 RM	2022 RM
Other receivables	-	-
Deposits	61,800	56,543
Prepayments	32,292	2,384
	94,092	58,927

9 OTHER LIABILITIES

	2023 RM	2022 RM
Other payables	3,640	2,811
Accruals	265,780	116,349
Sponsorship fees received in advance	1,092,405	1,092,405
	1,361,825	1,211,565

A reconciliation of the sponsorship received in advance is as follows:

	2023 RM	2022 RM
As at 1 January	1,092,405	1,157,155
Fees received during the financial year		-
Fees utilised during the financial year (Note 15)	-	(64,750)
As at 31 December	1,092,405	1,092,405

The sponsorship fees is received in advance from FWD Takaful Berhad ("FWD Takaful") for digitalisation of the Company's programme learning modules based on the collaboration agreement entered into between FWD Takaful and the Company on 20 July 2020.

10 PROGRAMME FEES RECEIVED IN ADVANCE

	2023 RM	2022 RM
As at 1 January	2,554,840	1,805,160
Fees received during the financial year	200,000	1,113,530
Recognised as revenue during the financial year	(868,385)	(363,850)
As at 31 December	1,886,455	2,554,840

Included in this balance is the programme fees received in advance from FWD Takaful amounted to RM1,886,455 (2022: RM2,491,310) in relation to the corporate collaboration agreement. The collaboration involves FWD Takaful engaging the Company to support its talent development plan which includes certification of FWD Takaful talents, training for FWD Takaful leaders and scholarship for aspiring and underprivileged talents.

11 LEASE LIABILITIES

	Office premise RM	Office equipment RM	Total RM
2023			
Current lease liabilities	181,228	10,884	192,112
Non-current lease liabilities	188,603	3,804	192,407
	369,831	14,688	384,519
Profit expense during the financial year	9,171	1,437	10,608
Repayment of principal portion of lease liabilities	194,516	11,579	206,095
2022			
Current lease liabilities	172,136	-	172,136
Non-current lease liabilities	-	24,830	24,830
	172,136	24,830	196,966
Profit expense during the financial year	18,709	1,409	20,118
Repayment of principal portion of lease liabilities	184,877	12,544	197,421

12 TAXATION

	2023 RM	2022 RM
Income tax		
- current year tax	1,453	435

The numerical reconciliation between deficit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Company is as follows:

	2023 RM	2022 RM
Deficit before taxation	(1,241,166)	(2,086,109)
Tax calculated at the Malaysian scaled tax rate of 1 – 30% (2022: 1 – 30%)	(12,362)	(20,811)
Tax effects of:		
Expenses not deductible for tax purposes	32,548	34,534
Income not subject to tax	(19,615)	(14,894)
Difference due to the use of scaled tax rates	882	1,606
	13,815	21,246
Taxation	1,453	435

The Company was established for the purpose of setting professional standards to support the development of talents in the Islamic finance industry and not for commercial purposes. The activities carried out by the Company are solely for the pursuit of the interest of the members of the Company. Income arising from such activities for members is not subject to tax pursuant to Public Ruling 1/2015 – Club, Association or Similar Institution. All other income not related to members' activities are subject to tax at a scaled rate of 1% to 30% (2022: 1% to 30%).

12 TAXATION (CONTINUED)

On 8 February 2023, the Company applied to the Ministry of Finance ("MOF") for income tax exemption under Section 44(11C) of Income Tax Act 1967 on the donation received by the Company. On 19 October 2023, MOF in accordance with Section 44(11C) of Income Tax Act 1967 approved the application of Chartered Institute of Islamic Finance Professionals ("CIIF") activities being a project of national interest for a period of 5 years from 2023 to 2026 and provides tax exemption to the donors on any donation made to the Company.

On 20 July 2017, MOF in accordance with Section 127(3A) of Income Tax Act 1967 had approved the Company's application for exemption on all funds and donations received by the Company for a period of five years from 2018 to 2022. On 22 February 2024, the Company applied to the MOF for an extension of income tax exemption under Section 127(3A) of Income Tax Act 1967 for another five years. The application is currently being considered by MOF.

No deferred tax has been recognised in respect of the temporary differences arising as based on management's estimates, the temporary differences will be reversed during the period of the tax exemption as described above.

13 FINANCING AND GRANT

	2023 RM	2022 RM
Current term financing	200,000	-
Non – current term financing	3,760,470	4,543,067
Deferred grant	2,039,530	1,456,933
	6,000,000	6,000,000

The Company has received a financing of RM6 million from STF-i in September 2019 for the benefit of the Islamic finance industry and enhancing the professionalisation of the Islamic finance practitioners. During the year, the Company applied for the repayment terms to be changed from 5 years to 10 years and for the repayment to be due from January 2025 onwards. As the term financing is granted at below market rate, the benefit of the below-market rate of profit is measured as the difference between the initial carrying value of the term financing and the proceeds received and is accounted for as a government grant. The deferred grant is credited to the profit and loss on a straight-line basis to match the profit expense on the term financing for which the grant is intended to compensate.

14 REVENUE

	2023 RM	2022 RM
Membership fee	277,805	256,085
Processing fee	14,570	10,190
Programme fee received	1,398,483	847,850
	1,690,858	1,114,125

15 OTHER INCOME

	2023 RM	2022 RM
Gain on foreign exchange	-	-
Hibah from Wadiah account	540	587
Gain on disposal of equipments	-	3,497
CPD Programme	6,553	6,750
Sundry income	-	3,963
Sponsorship for digitalisation of learning modules (Note 9)	-	64,750
Profit income from fixed deposit	7,294	24,189
Amortisation of deferred grant (Note 13)	270,672	310,489
Joint venture event with Tawafuq Consultancy	290	1,050
Sponsorship	40,000	-
	325,349	415,275

16 STAFF COSTS

	2023 RM	2022 RM
Salary and bonus	1,316,034	1,502,746
SOCSO contribution	5,924	10,984
EPF contribution	78,862	161,743
EIS contribution	677	1,256
Other employee benefits	6,867	11,296
Reversal expense on other employee benefits		(17,820)
	1,408,364	1,670,205

17 ADMINISTRATIVE AND GENERAL EXPENSES

	2023 RM	2022 RM
Accounting fee	-	1,799
Administration fees	13,892	11,077
Electricity charges	10,018	10,970
Takaful	39,504	66,805
Secretarial fee	3,117	11,006
Telephone charges	68,024	67,066
Rental – short term lease	13,688	22,169
	148,243	190,892

18 OTHER OPERATING EXPENSES

	2023 RM	2022 RM
Advertisement, event and promotional expenses	64,428	142,922
Amortisation of intangible assets	170,943	155,477
Bank charges	2,526	2,260
Reversal of expense on CPIF module development	(2,500)	-
Depreciation of property and equipment	183,840	183,648
Donation, gift and sponsorship	3,466	5,000
Entertainment	588	39
Global outreach	31,757	12,174
Merchant transaction fee	758	417
Meeting expenses	4,300	24,760
Printing and stationery	17,763	10,325
Postage and courier charges	1,003	2,464
Petrol, parking and toll fee	2,007	7,913
Professional fee	9,036	5,618
Programme fee cost	499,888	485,022
Auditors remuneration	24,788	12,926
Seminar and training	15,946	16,684
Travelling and accommodation expenses	7,800	1,189
Upkeep of office	7,686	8,315
Upkeep of office equipment	918	16,345
Depreciation of rights-of-use assets	168,050	164,940
Subscription fee	5,740	15,210
Project getaway CPD & e-learning	3,511	1,670
Stamp duty	1,924	-
Paid Member's Event costing	26,688	-
	1,252,854	1,275,318

19 PROFIT EXPENSE

	2023 RM	2022 RM
Profit expense on lease liabilities (Note 11)	10,608	20,118
Profit expense on term financing (Note 13)	270,673	310,489
	281,281	330,607

20 FINANCIAL RISK MANAGEMENT

The Company does not face significant exposure to financial risks except credit risk, liquidity risk and market risk.

(a) Credit risk

Credit risk is the risk of loss due to failure of counter party, members required to meet its financial obligations due to the Company.

The analysis of credit risk includes only financial assets subject to credit risk. They exclude non-financial assets.

The Company has no significant concentrations of credit risk. Credit risk arises from membership fee receivable, programme fee receivable, other receivables and deposits, and cash and cash equivalents.

For financial assets recognised in the statement of financial position, the maximum exposure to credit risk equals their carrying amount as at 31 December 2023.

The Company's maximum exposure to credit risk by class of financial asset is as follows:

	2023 RM	2022 RM
Cash and cash equivalents*	533,719	1,482,137
Fixed deposit with licensed bank	-	600,000
Membership fee receivable	37,104	20,485
Programme fee receivable	50,450	87,700
Other receivables and deposits^	61,800	56,543
	683,073	2,246,865

The following have been excluded for the purpose of maximum credit risk exposure calculation:

* Cash in hand
^ Prepayments

The credit risk concentrations of the Company by industry as at the statement of financial position date are set out in the following table:

	Financial institutions RM	Others RM
As at 31 December 2023		
Cash and cash equivalents	533,719	-
Fixed deposit with licensed bank	-	-
Membership fee receivable	-	37,104
Programme fee receivable	-	50,450
Other receivables and deposits	-	61,800
	533,719	149,354

20 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

	Financial institutions RM	Others RM
As at 31 December 2022		
Cash and cash equivalents	1,482,137	-
Fixed deposit with licensed bank	600,000	-
Membership fee receivable	-	20,485
Programme fee receivable	-	87,700
Other receivables and deposits	-	56,543
	2,082,137	164,728

All the financial assets of the Company are neither past due nor impaired. Cash and cash equivalents are placed with financial institutions rated AAA. All other financial assets are not rated.

(b) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due or will have to do it at excessive cost. The exposure to liquidity risk arises principally from its various payables, lease liabilities, financing and grant.

The Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The following table presents the cash outflows for the Company's financial liabilities by remaining contractual maturities on an undiscounted basis.

	Less than 1 year	1 – 3 years	More than 3 years	Total
As at 31 December 2023				
Financial liabilities				
Other payables and accruals	279,070	-	-	279,070
Lease liabilities	220,114	201,443	-	421,557
Term financing	-	1,400,000	2,560,470	3,960,470
	499,184	1,601,443	2,560,470	4,661,097

20 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

	Less than 1 year	1 – 3 years	More than 3 years	Total
As at 31 December 2022				
Financial liabilities				
Other payables and accruals	119,160	-	-	119,160
Lease liabilities	189,885	15,438	-	205,323
Term financing	-	1,600,000	2,943,067	4,543,067
	309,045	1,615,438	2,943,067	4,867,550

(c) Market risk

Market risk is the risk of loss due to adverse changes or volatility of prices in financial markets. The market risk comprises of profit rate risk.

Profit rate risk

Profit rate risk is the market risk due to movements in profit rates and may affect valuation of fixed deposits. The Company's exposure to the profit rate is mainly confined to short-term placements with financial institutions. The Company overcomes the exposure by way of maintaining deposits on short-term basis.

21 DIRECTORS REMUNERATION

	2023 RM	2022 RM
Meeting expenses	4,300	24,760

The directors are key management personnel of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

22 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Grand Councillors.

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS

(Incorporated in Malaysia as a company limited by guarantee and not having share capital)

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

We, Dato' Syed Moheeb Syed Kamarulzaman and Tuan Syed Abdull Aziz Jailani Syed Kechik, two of the Directors of the Chartered Institute of Islamic Finance Professionals, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 5 to 33 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and financial performance of the Company for the financial year ended 31 December 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 4 June 2024.

DATO' SYED MOHEEB SYED KAMARULZAMAN	TUAN SYED ABDULL AZIZ JAILANI SYED KECHIK
DIRECTOR	DIRECTOR

Kuala Lumpur

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

I, Tuan Syed Abdull Aziz Jailani Syed Kechik, the Director primarily responsible for the financial management of the Chartered Institute of Islamic Finance Professionals, do solemnly and sincerely declare that the financial statements set out on pages 5 to 33 are to the best of my knowledge and belief, correct 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.

TUAN SYED ABDULL AZIZ JAILANI SYED KECHIK

Subscribed and solemnly declared by the abovenamed Tuan Syed Abdull Aziz Jailani Syed Kechik at Kuala Lumpur on 4 June 2024.

Before me:

COMMISSIONER FOR OATH

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS
(Incorporated in Malaysia)
(Company No. 201501023371 (1148700-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Chartered Institute of Islamic Finance Professionals ("the Company") give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Company, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 5 to 33.

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 Company 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS (CONTINUED)
(Incorporated in Malaysia)
(Company No. 201501023371 (1148700-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Material uncertainty related to going concern

We draw attention to Note A in the financial statements, which indicates that the Company incurred a net deficit of RM1,242,619 for the financial year ended 31 December 2023, and as of that date, the Company's current liabilities exceeded its current assets by RM2,924,507 As stated in Note A, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Director's Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company 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 of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company 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 Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company'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 Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company 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:

(a) Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' 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 Company'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 Company 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 Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS (CONTINUED)
(Incorporated in Malaysia)
(Company No. 201501023371 (1148700-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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 Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MOHAMED ZHARIF AGIL
03795/10/2025 J
Chartered Accountant

Kuala Lumpur
4 June 2024