

Asia Institute of Alternative Dispute Resolution

201801014978 (1276994-P)
(Incorporated in Malaysia)

Reports and Financial Statements

31st December | 2024



nk associates

(Chartered Accountants)
(AF 1313)

Asian Institute of Alternative Dispute Resolution

201801014978 (1276994-P)

(Incorporated in Malaysia as a Company Limited by Guarantee)

Reports and Financial Statements

31st December
2024

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Asian Institute of Alternative Dispute Resolution

(Incorporated in Malaysia as a Company Limited by Guarantee)

Council Members' Report for the year ended 31st December 2024

The Council members submit their report and the audited financial statements of the Institute for the financial year ended 31st December 2024.

Principal Objectives

The principal objectives of the Institute are as follows:-

- (i) Enhance code of ethical principles and conduct among professionals from the Alternative Dispute Resolution (ADR) segments;
- (ii) Providing education, training, experience, life-long learning opportunities and support for research and development of international ADR practices;
- (iii) Delivering cost effective and accessible solutions for users of the ADR services;
- (iv) Enabling harmonization of legal framework and jurisprudence amongst developing and developed economies for enhancing global trade, commerce and industry; and
- (v) Encouraging social cohesion amongst practitioners and non-practitioners in the Alternative Dispute Resolution ("ADR") fields.

Results

The results of the operations of the Institute for the financial year are as follows:

	RM
Deficit for the year	<u><u>(150,759)</u></u>

Council Members

The members who held office during the financial year and up to the date of this report are as follows:

Datuk Professor Sundra Rajoo a/l Nadarajah

Samrith Kaur (Appointed on: 26 August 2024)

Man Sing Yeung

Dr Li, Hu

Dr Christopher Phillip Malcolm

Dato' Quek Ngee Meng (Resigned on: 26 August 2024)

Council Members' Benefits and Interest

The Institute is a company limited by guarantee and thus has no shares in which the Council members could have an interest. The Institute has not issued any debentures.

No Council member has received or become entitled to receive a benefit by reason of a contract made by the Institute or a related corporation with the Council member, or a related corporation with the Council member, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Council Members' Remuneration

None of the Council members or past Council members of the Institute have received any remunerations from the Institute during the year.

None of the Council members or past Council members of the Institute have received any other benefits otherwise than in cash from the Institute during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Institute by the Council members or past Council members of the Institute during the year.

Indemnifying Council members, Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the Council member, officer or auditor of the Institute.

Other Statutory Information

Before the financial statement of the Institute were made out, the Council members took reasonable steps:

- (a) 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 have satisfied themselves that there were no known bad debts and no allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

As of the date of this report, the Council members are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in the financial statements of the Institute; or
- (b) which would render the values attributed to current assets in the financial statements of the Institute misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Institute misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Institute misleading.

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Institute which has arisen since the end of the financial year and secures the liabilities of any other person; or
- (b) any contingent liability of the Institute which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the Council members, will or may substantially affect the ability of the Institute to meet its obligations as and when they fall due.

In the opinion of the Council members:

- (a) the results of the operations of the Institute during the year were not substantially affected by any item, transaction or event of material and unusual nature.
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of operations of the Institute for the year in which this report is made.

Auditors' Remuneration

The details of the auditors' remuneration are disclosed in the Statement of Income and Expenditure.

Auditors

The auditors, Messrs. NK Associates, have expressed their willingness to continue in office.

Signed on behalf of the Council Members in accordance with a resolution of the Council Members,



Datuk Professor Sundra Rajoo A/L Nadarajah



Samrith Kaur

Puchong, Selangor

Dated: **15 APR 2025**

Asian Institute of Alternative Dispute Resolution

(Incorporated in Malaysia as a Company Limited by Guarantee)

Statement By Council Members

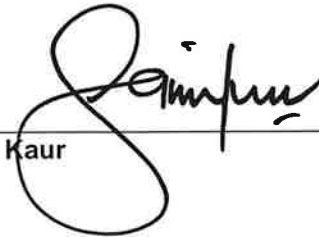
Pursuant to Section 251(2) of the Companies Act, 2016

The Council members of **Asian Institute of Alternative Dispute Resolution** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Institute as at **31 December 2024** and of the financial performance and the cash flows of the Institute for the year ended on that date.

Signed on behalf of the Council Members in accordance with a resolution of the Council Members,



Datuk Professor Sundra Rajoo A/L
Nadarajah



Samrith Kaur

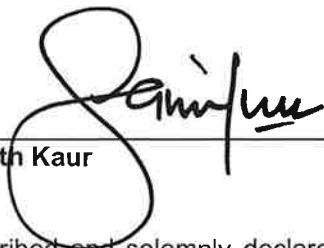
Puchong, Selangor

Dated: **15 APR 2025**

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, **Samrith Kaur**, being the Council member primarily responsible for the financial management of **Asian Institute of Alternative Dispute Resolution**, do solemnly and sincerely declare that the financial statements are, in my opinion, 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.



Samrith Kaur

Subscribed and solemnly declared by the above named at Puchong in the state of Selangor Darul Ehsan on **15 APR 2025**

Before me,



Commissioner For Oaths

TETUAN FOO LEONG TAN & CHAN
25B, Jalan TK 1/11A,
Taman Kinrara Seksyen 1,
47180 Puchong, Selangor.

**nk associates**

(Chartered Accountants)
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Unit D-3-3A, Level 4, Block D
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Tel : 603-5882 2054

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Independent Auditors' Report

to the members of Asian Institute of Alternative Dispute Resolution

(Registration No: 201801014978 (1276994-P))

(Incorporated in Malaysia as a Company Limited by Guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Asian Institute of Alternative Dispute Resolution**, which comprise the statement of financial position as at **31 December 2024**, and the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 20.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institute as at **31 December 2024**, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the 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.

Information other than the Financial Statements and Auditors' Report Thereon

The Council member of the Institute is responsible for the other information. The other information comprises the Council members' report but does not include the financial statements of the Institute and our auditors' report thereon.

Our opinion on the financial statements of the Institute does not cover the Council members' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Institute, our responsibility is to read the Council members' report and, in doing so, consider whether the Council members' report is materially inconsistent with the financial statements of the Institute 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 the Council members' report, we are required to report that fact. We have nothing to report in this regard.

**nk associates**

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Independent Auditors' Report

To the members of Asian Institute of Alternative Dispute Resolution

(Registration No: 201801014978 (1276994-P)) (Cont'd)

(Incorporated in Malaysia as a Company Limited by Guarantee)

Responsibilities of the Council members for the Financial Statements

The Council members of the Institute are responsible for the preparation of financial statements of the Institute 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 Council members are also responsible for such internal control as the Council members 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 Institute, the Council members are responsible for assessing the Institute'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 Council members either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Institute 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Institute, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.

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Independent Auditors' Report

To the members of Asian Institute of Alternative Dispute Resolution

(Registration No: 201801014978 (1276994-P)) (Cont'd)

(Incorporated in Malaysia as a Company Limited by Guarantee)

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

- Conclude on the appropriateness of the Council members' 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 Institute'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 Institute 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 Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Institute, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council members 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 Institute, 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.


NK ASSOCIATES

Firm No: AF 1313

Chartered Accountants

Puchong, Selangor

Dated: 15 April 2025


KRISHNAN A/L NACHIAPPEN

Approval No: 02099/10/2026 J

Chartered Accountant

Asian Institute of Alternative Dispute Resolution

(Incorporated in Malaysia as a Company Limited by Guarantee)

Statement of Financial Position

as at 31st December 2024

	NOTE	2024 RM	2023 RM
Assets			
Non-Current Asset			
Property, plant and equipment	5	4,678	4,394
		<u>4,678</u>	<u>4,394</u>
Current Assets			
Receivable	6	447	202
Fixed deposit	7	547,328	533,009
Bank balances		21,777	173,280
		<u>569,552</u>	<u>706,491</u>
Total Assets		<u>574,230</u>	<u>710,885</u>
Financed by:			
Accumulated fund brought forward		621,335	608,384
(Deficit)/Surplus for the financial year		<u>(150,759)</u>	<u>12,951</u>
Accumulated fund carried forward		<u>470,576</u>	<u>621,335</u>
Current Liabilities			
Accruals		4,000	23,328
Prepaid subscription fees		99,056	65,738
Current tax liabilities		598	484
Total Liabilities		<u>103,654</u>	<u>89,550</u>
Total Funds and Liabilities		<u>574,230</u>	<u>710,885</u>

The annexed notes form an integral part of these financial statements

Asian Institute of Alternative Dispute Resolution

(Incorporated in Malaysia as a Company Limited by Guarantee)

Statement of Income and Expenditure for the year ended 31st December 2024

	NOTE	2024 RM	2023 RM
Income			
Membership fees	8	119,864	112,949
Registration fees		4,099	1,433
Training fees		122,652	165,758
Interest from fixed deposit		14,319	13,138
Gain on foreign exchange (realised)		2,460	2,909
Gain on foreign exchange (unrealised)		-	284
Government wage subsidy		-	399
Sponsorship		45,000	15,040
		308,394	311,910
Less : Expenditure			
Accommodation		4,884	6,291
Accounting fees		4,800	4,800
Advertisement		-	1,495
AGM expenses		4,430	-
Audit fee		2,800	2,800
Bad debt written off		203	2,357
Bank charges		2,287	2,414
CMTF fees		4,492	5,224
Courier and postage		481	1,033
Depreciation of fixed assets	5	3,415	2,977
Employee benefit expenses	9	243,970	158,817
Entertainment		7,373	2,479
Finance charges		6,552	5,098
HRDF Charges		668	-
Loss on foreign exchange (realised)		2,671	2,379
Medical fees		1,700	266
Office expenses		1,357	1,678
Printing and stationery		1,977	1,730
Professional fees		19,269	14,700
Renewal fees		-	105
Secretarial and filing fees		4,610	3,600
Seminar expenses		12,867	6,845
SST expenses		2,290	1,533
Staff amenities		-	121
Stamping fees		-	10
Subscription fees		4,741	4,156
Balance carried forward		337,837	232,908

The annexed notes form an integral part of these financial statements

Asian Institute of Alternative Dispute Resolution

(Incorporated in Malaysia as a Company Limited by Guarantee)

Statement of Income and Expenditure

for the year ended 31st December 2024

	NOTE	2024 RM	2023 RM
Balance brought forward		337,837	232,908
Tax agent fees			
- Current year provision		800	1,500
- Over provision in prior years		(1,400)	-
Telephone charges		4,723	3,806
Training expenses		105,401	33,948
Travelling expenses		5,459	4,971
Upkeep of software		1,734	-
Wages		1,647	3,705
Website design and maintenance		2,611	17,893
Total Expenditures		458,812	298,731
(Deficit)/Surplus Before Tax For the Year		(150,418)	13,179
Income tax expenses		(341)	(228)
(Deficit)/Surplus After Tax For the Year		(150,759)	12,951

The annexed notes form an integral part of these financial statements

Asian Institute of Alternative Dispute Resolution

(Incorporated in Malaysia as a Company Limited by Guarantee)

Statement of Changes in Accumulated Fund for the year ended 31st December 2024

	Total Accumulated Funds
	RM
As at 01 January 2024	621,335
Deficit for the year	(150,759)
As at 31 December 2024	<u>470,576</u>
As at 01 January 2023	608,384
Surplus for the year	<u>12,951</u>
As at 31 December 2023	<u>621,335</u>

The annexed notes form an integral part of these financial statements

Asian Institute of Alternative Dispute Resolution

(Incorporated in Malaysia as a Company Limited by Guarantee)

Statement of Cash Flows

for the year ended 31st December 2024

	NOTE	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit)/Surplus before tax		(150,418)	13,179
Adjustments for:			
Depreciation of property, plant and equipment		3,415	2,977
Interest income		(14,319)	(13,138)
Operation (deficit)/surplus before changes in working capital		(161,322)	3,018
Changes in receivables		(245)	2,977
Changes in payables		13,990	(10,600)
Cash used in operations		(147,577)	(4,605)
Interest received		14,319	13,138
Tax paid		(227)	(15)
Net cash (used in)/generated from operating activities		(133,485)	8,518
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment	5	(3,699)	-
Net cash used in investing activity		(3,699)	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(137,184)	8,518
OPENING CASH/CASH EQUIVALENTS		706,289	697,771
CLOSING CASH/CASH EQUIVALENTS		569,105	706,289
CASH/CASH EQUIVALENTS COMPRISES OF:-			
Fixed deposits		547,328	533,009
Bank balances		21,777	173,280
		569,105	706,289

The annexed notes form an integral part of these financial statements

Asian Institute of Alternative Dispute Resolution

(Incorporated in Malaysia as a Company Limited by Guarantee)

Notes to the Financial Statements

31st December 2024

1. General Information

The Institute is a company limited by guarantee and domiciled in Malaysia.

The office address is located at No 28-1, Medan Setia 2, Bukit Damansara, 50490 Kuala Lumpur.

The registered office is located at Unit D-3A-4 Level 4, Block D, SetiaWalk, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan.

The principal objectives of the Institute are as follows: -

- (i) Enhance code of ethical principles and conduct among professionals from the Alternative Dispute Resolution (ADR) segments;
- (ii) Providing education, training, experience, life-long learning opportunities and support for research and development of international ADR practices;
- (iii) Delivering cost effective and accessible solutions for users of the ADR services;
- (iv) Enabling harmonization of legal framework and jurisprudence amongst developing and developed economies for enhancing global trade, commerce, and industry; and
- (v) Encouraging social cohesion amongst practitioners and non-practitioners in the Alternative Dispute Resolution ("ADR") fields.

The financial statements are presented in Ringgit Malaysia (RM) which is also the functional currency of the Institute.

The financial statements were authorised for issue by the Board of Council in accordance with a resolution of the Council members on 15 April 2025.

2. Basis of Preparation of The Financial Statements

2.1 Statement of Compliance

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

The financial statement have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

The accounting policies applied by the Company are consistent with those applied in the previous financial year other than the application of the amendments to MFRSs as disclosed in Note 2.2 below.

2. Basis of Preparation of The Financial Statements (Cont'd)

2.2 Changes in accounting policies

On 1 January 2024, the Company adopted the following new and amendments to MFRS:

Effective for annual financial periods beginning or after 1 January 2024:

MFRS 16	Leases (Lease Liability in a Sale and Leaseback)
MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
MFRS 101	Presentation of Financial Statements (Non-current Liabilities with Covenants)
MFRS 107	Statement of Cash Flows and Amendment to MFRS 7 Financial Instruments: Disclosure (Supplier Finance Arrangements)

Adoption of the above new and amendments to MFRSs did not have any material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The standards, amendments and interpretations that are issued but are not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intend to adopt these standards, if applicable, when they become effective:

		Effective dates for financial periods beginning on or after
MFRS 121	The Effects of Changes in Foreign Exchanges Rates – Lack of Exchangeability	1 January 2025
MFRS 7 and 9	Finance Instruments and Financial Instruments : Disclosure – Amendments to the Classification And Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability – Disclosure	1 January 2027
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The Amendments to MFRSs above are expected to have no significant impact on the financial statements of the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these Amendments to MFRSs.

3. Significant Accounting Policies

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

3. Significant Accounting Policies (Cont'd)

3.1 Financial Instruments

Financial Assets

The Institute classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired:

- (i) Fair Value through Profit or Loss
- (ii) Amortised Cost
- (iii) Fair value through other comprehensive income

The Institute does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss. The Institute also does not have any financial assets classified at fair value through other comprehensive income at the reporting date.

Amortised cost

These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current receivables are recognised based on the simplified approach within MFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the nonpayment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. Impairment provisions are recorded in a separate provision account with the loss being recognised in the statement of income and expenditure. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Institute's financial assets measured at amortised cost comprise receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities

The Institute classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired:

- (a) Fair value through profit or loss

The Institute does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

- (b) Other financial liabilities

The Institute's other financial liabilities include payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

3.2 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

3 Significant Accounting Policies (Cont'd)

3.2 Property, Plant and Equipment (Cont'd)

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on straight line basis to write off the cost of each asset to its residual value over the estimated useful life.

The principle annual rates of depreciation used are as follows: -

	<u>Rate</u>
Computers	20%

The residual value, useful life and depreciation method are reviewed at each financial period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

3.3 Impairment on Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

3.4 Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts (if any).

3. Significant Accounting Policies (Cont'd)

3.5 Foreign Currency

Foreign Currency ~ Foreign Currency Transactions

Transactions in foreign currencies are initially recognised in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except when a gain or loss on a non-monetary item is recognised in other comprehensive income. If so, any exchange differences relating to that gain or loss is recognised in other comprehensive income.

3.6 Revenue

(i) Membership and Registration

Membership which is attributable to current financial year is recognised as income while subscription relating to period beyond the current financial year is recognised as subscription in advance in deferred income.

(ii) Interest From Fixed Deposits

Fixed deposit interest is recognised on an accrual basis.

3.7 Income Tax

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Institute has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

3. Significant Accounting Policies (Cont'd)

3.7 Income Tax (Cont'd)

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Institute expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

4 Critical Judgements and Estimation Uncertainty

4.1 Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the accounting policies of the Institute.

4.2 Key Sources of Estimation Uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Property, plant, and equipment

	Balance at 01.01.2024 RM	Additions RM	Disposals RM	Balance at 31.12.2024 RM
Cost				
Computers	14,885	3,699	-	18,584
	14,885	3,699	-	18,584
	Balance at 01.01.2024 RM	Charge for the year RM	Disposals RM	Balance at 31.12.2024 RM
Accumulated depreciation				
Computers	10,491	3,415	-	13,906
	10,491	3,415	-	13,906
	<u>Net Carrying Value</u>		<u>Depreciation Charge</u>	
	2024 RM	2023 RM	2024 RM	2023 RM
Computers	4,678	4,394	3,415	2,977

6. Receivable

	2024 RM	2023 RM
Membership fee	447	202
Total receivable	447	202

7. Fixed Deposit

The fixed deposit amounting to RM 547,328 (2023: RM 533,009) is placed with a licensed bank in the name of Institute.

The interest rate on deposit placed with a licensed bank is from 2.60% to 3.10% (2023: 2.10% to 3.10%) per annum. The fixed deposits have maturity periods of 1 to 12 months (2023: 1 to 12 months).

8. Revenue

	2024 RM	2023 RM
Membership	147,439	132,167
Discount	(27,575)	(19,218)
Net membership	119,864	112,949

9. Employee Benefit Expenses

	2024 RM	2023 RM
Salaries and bonus	211,072	138,575
Defined contribution plan	29,394	17,772
Defined contribution benefits	3,504	2,470
	243,970	158,817

10. Income Tax Expense

	2024 RM	2023 RM
Current tax expense		
- Current year provision	341	228
Total income tax expense	341	228

The tax expense is in relation to tax on chargeable income at scale rates in accordance to Paragraph 1, Part 1, Schedule 1 of the Income Tax Act, 1967.

11. Financial Risk Management Objectives and Policies

The Institute's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Institute's operations whilst managing its currency, credit and liquidity risks. The Institute operates within clearly defined guidelines that are approved by the Council members and the Institute's policy is to not engage in speculative transactions.

11. Financial Risk Management Objectives and Policies (Cont'd)

(a) Credit Risk

Credit risk is the risk of a financial loss to the Institute if a counterparty of a financial asset fails to meet its contractual obligations. The Institute's exposure to credit risk arises mainly from its receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At reporting date, there were no significant concentration of credit risk.

The maximum exposure to credit risk for the Institute is the carrying amount of the financial assets shown in the statement of financial position.

(b) Liquidity Risk

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as and when they fall due. Cash flow forecasting is performed by monitoring the Institute's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

(c) Currency Risk

The Company ensures that the net exposure to foreign currency risk is kept to an acceptable level.

12. Financial Instruments

Classification of Financial Instruments

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At Amortised Cost 31.12.2024 Total RM	At Amortised Cost 31.12.2023 Total RM
Financial Assets		
Receivable	447	202
Fixed deposit	547,328	533,009
Bank balances	21,777	173,280
Total financial assets	569,552	706,491

13. Capital Management

The objective of the Institute on capital management is to ensure that it maintains a strong credit rating and safeguard the Institute's ability to continue as a going concern, so as to support its operation and maximise accumulated fund.

The Institute manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Institute.