

**PERSATUAN INDUSTRI KOMPUTER
DAN MULTIMEDIA MALAYSIA**
(Registered in Malaysia)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**
(In Ringgit Malaysia)

Russell Bedford LC PLT
(LLP0030621-LCA & AF 1237)
Chartered Accountants

PERSATUAN INDUSTRI KOMPUTER DAN MULTIMEDIA MALAYSIA
(Registered in Malaysia)

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PERSATUAN INDUSTRI KOMPUTER DAN MULTIMEDIA MALAYSIA
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STATEMENT BY COUNCIL MEMBERS

The Council Members of PERSATUAN INDUSTRI KOMPUTER DAN MULTIMEDIA MALAYSIA state that, in the opinion of the Council Members, the accompanying financial statements are drawn up in accordance with the rules of the Association, the provisions of the Societies Act 1966 and the Malaysian Private Entities Reporting Standard, so as to give a true and fair view of the financial position of the Group and of the Association as at 31 December 2024, and their financial performance and their cash flows for the year ended on that date.

For and on behalf of the Council Members,



LIEW YOON KIT
Chairman



ABDUL HALIM BIN MD LASSIM
Treasurer

Kuala Lumpur

Dated: **1 1 JUN 2025**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PERSATUAN INDUSTRI KOMPUTER DAN MULTIMEDIA MALAYSIA

(Registered in Malaysia)

1. Report on the audit of the financial statements

1.1 Opinion

We have audited the accompanying financial statements which comprise the statement of financial position of the Group and the Association as at 31 December 2024, and the related statements of income and expenditure, changes in fund accounts and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Association as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with the rules of the Association, the Societies Act 1966 ("Act") and the Malaysian Private Entities Reporting Standard.

1.2 Basis for opinion

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in paragraph 1.5.

We are independent of the Group in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA 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 MIA By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



1.3 Other information

Management is responsible for the other information. Other information is defined as financial and non-financial information (other than financial statements and the auditors' report thereon) included in an entity's annual report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact.

1.4 Responsibilities of Council Members and those charged with governance for the financial statements

The Council Members are responsible for the preparation of financial statements that give a true and fair view in accordance with the rules of the Association, the provisions of the Act and the Malaysian Private Entities Reporting Standard, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Council Members are responsible for assessing the Group's and the Association'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 intends to liquidate the Association and/or its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

1.5 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Approved Standards on Auditing in Malaysia and the 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 the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.
- 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 Group's and/or the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention on our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

2. Engagement partner

The engagement partner on the audit resulting in this independent auditors' report is Wong Lai Cheng.

RUSSELL BEDFORD LC PLT
 LLP0030621-LCA & AF 1237
 CHARTERED ACCOUNTANTS

Kuala Lumpur

Dated: 11 June 2025

WONG LAI CHENG
 03458/11/2025 J
 CHARTERED ACCOUNTANT

PERSATUAN INDUSTRI KOMPUTER DAN MULTIMEDIA MALAYSIA
(Registered in Malaysia)

**STATEMENTS OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Group 2024 RM	2023 RM	Association 2024 RM	2023 RM
Income					
Membership subscriptions and entrance fees		487,550	426,920	487,550	426,920
Events income	4	3,340,916	3,756,671	2,712,416	3,344,071
		3,828,466	4,183,591	3,199,966	3,770,991
Other operating income:					
Allowance for doubtful debts no longer required		-	20,000	-	20,000
Fair value gain on investment properties		481,758	-	481,758	-
Other income	5	788,120	702,306	787,192	702,269
		1,269,878	722,306	1,268,950	722,269
		5,098,344	4,905,897	4,468,916	4,493,260
Depreciation		(127,446)	(209,452)	(127,046)	(207,698)
Other operating expenses:					
Auditors' remuneration		19,500	29,574	11,500	17,914
Administrative expenses		386,325	369,722	338,560	314,269
Allowance for doubtful debts		134,927	-	139,434	17,652
Bank charges		3,693	2,935	2,857	2,439
Bad debt written off		48,567	15,000	48,567	15,000
Events operating expenses	4	2,241,706	2,595,163	1,753,061	2,317,767
International affairs	6	56,740	42,909	56,740	42,909
Impairment loss on investment in subsidiary		-	-	-	100,000
Equipments written off	6	-	2,071	5	2,030
Loss on foreign exchange – realised		638	-	638	-
Membership services	7	159,725	139,414	159,725	139,414
Professional fees		80,425	111,044	66,158	98,912
Public relations		10,803	14,330	10,803	14,330
Staff costs	8	1,418,196	1,260,378	1,194,865	889,713
		(4,561,251)	(4,582,540)	(3,782,913)	(3,972,349)
Finance income	9	16,949	25,726	16,949	25,726
Finance cost	10	(232,345)	(240,589)	(232,345)	(240,589)
Net finance cost		(215,396)	(214,863)	(215,396)	(214,863)
Surplus/(Deficit) before tax		194,251	(100,958)	343,561	98,350
Income tax expense	11	(378)	-	(378)	-
Surplus/(Deficit) of income over expenditure		193,873	(100,958)	343,183	98,350

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STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Group 2024 RM	2023 RM	Association 2024 RM	2023 RM
Non current assets					
Property, plant and equipment	12	3,087,627	4,617,941	3,086,685	4,616,598
Investment in a subsidiary	13	-	-	-	-
Investment properties	14	9,012,334	7,062,426	9,012,334	7,062,426
		<u>12,099,961</u>	<u>11,680,367</u>	<u>12,099,019</u>	<u>11,679,024</u>
Current assets					
Trade receivables	15	756,233	1,259,154	725,469	1,239,454
Other receivables, deposits and prepayments	16	130,206	196,236	905,056	800,324
Tax recoverable		30,832	30,832	30,832	30,832
Cash and cash equivalents	17	1,358,423	1,470,879	1,149,348	1,285,531
		<u>2,275,694</u>	<u>2,957,101</u>	<u>2,810,705</u>	<u>3,356,141</u>
Total assets		<u><u>14,375,655</u></u>	<u><u>14,637,468</u></u>	<u><u>14,909,724</u></u>	<u><u>15,035,165</u></u>
Equity					
Accumulated funds		<u>8,767,668</u>	<u>8,573,795</u>	<u>9,423,374</u>	<u>9,080,191</u>
Total equity		<u>8,767,668</u>	<u>8,573,795</u>	<u>9,423,374</u>	<u>9,080,191</u>
Non current liabilities					
Term loans	18	3,801,934	4,104,006	3,801,934	4,104,006
		<u>3,801,934</u>	<u>4,104,006</u>	<u>3,801,934</u>	<u>4,104,006</u>
Current liabilities					
Trade payables	19	300,241	592,428	298,321	581,689
Other payables and accruals	20	1,203,539	1,126,223	1,083,822	1,028,263
Borrowings	18	302,273	241,016	302,273	241,016
		<u>1,806,053</u>	<u>1,959,667</u>	<u>1,684,416</u>	<u>1,850,968</u>
Total liabilities		<u>5,607,987</u>	<u>6,063,673</u>	<u>5,486,350</u>	<u>5,954,974</u>
Total equity and liabilities		<u><u>14,375,655</u></u>	<u><u>14,637,468</u></u>	<u><u>14,909,724</u></u>	<u><u>15,035,165</u></u>

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**STATEMENTS OF CHANGES IN FUND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Accumulated funds RM
Group	
At 1 January 2023	8,674,753
Deficit of income over expenditure	(100,958)
At 31 December 2023	8,573,795
Surplus of income over expenditure	193,873
At 31 December 2024	8,767,668
	Accumulated Funds RM
Association	
At 1 January 2023	8,981,841
Surplus of income over expenditure	98,350
At 31 December 2023	9,080,191
Surplus of income over expenditure	343,183
At 31 December 2024	9,423,374

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STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Association	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from/(used in) operating activities				
Receipts from membership subscriptions and entrance fees	430,532	409,900	430,532	409,900
Receipts from events	3,749,108	3,519,680	3,131,672	3,120,238
Payments for expenditure	(1,929,504)	(2,129,779)	(1,661,139)	(1,609,871)
Payments for event expenditure	(2,533,893)	(2,353,038)	(2,036,429)	(1,977,361)
Cash used in operations	(283,757)	(553,237)	(135,364)	(57,094)
Other income	690,320	702,306	689,392	702,269
Net cash from operating activities	406,563	149,069	554,028	645,175
Cash flows from/(used in) investing activities				
Purchase of plant and equipment	(65,288)	(596)	(65,288)	(200)
Interest received from fixed deposits	16,949	25,726	16,949	25,726
Advances to subsidiaries	-	-	(171,192)	(507,296)
Net cash (used in)/from investing activities	(48,339)	25,130	(219,531)	(481,770)
Cash flows from/(used in) financing activities				
Repayment of term loans	(240,802)	(231,755)	(240,802)	(231,755)
Interest on term loans	(231,542)	(240,589)	(231,542)	(240,589)
Net cash used in financing activities	(472,344)	(472,344)	(472,344)	(472,344)
Net decrease in cash and cash equivalents	(114,120)	(298,145)	(137,847)	(308,939)
Cash and cash equivalents at beginning of year	1,438,842	1,736,987	1,253,494	1,562,433
Cash and cash equivalents at end of year	1,324,722	1,438,842	1,115,647	1,253,494
Cash and cash equivalents are represented by:				
Cash and cash equivalents (Note 17)	1,358,423	1,470,879	1,149,348	1,285,531
Less:				
- Fixed deposits pledged	(33,500)	(31,823)	(33,500)	(31,823)
- Bank overdrafts	(201)	(214)	(201)	(214)
	1,324,722	1,438,842	1,115,647	1,253,494

PERSATUAN INDUSTRI KOMPUTER DAN MULTIMEDIA MALAYSIA
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

1. General information

The Association is incorporated under the Societies Act, 1966 and its principal objectives are:

- (a) to spearhead, promote and coordinate the development of resources, professional skills and programs in the local Information and Communication Technology ("ICT") industry;
- (b) to represent the local ICT industry to the Government and private sectors locally and abroad;
- (c) to provide a local forum for solution providers to meet, discuss and solve common problems of the ICT industry and to advance programs for its development;
- (d) to foster high standards of conduct, service and performance throughout the ICT industry;
- (e) to obtain, process and disseminate relevant information to the ICT industry; and
- (f) to provide industry and trade related services to its members.

The principal activity of the subsidiaries is disclosed in Note 13.

The principal place of business of the Association is located at E1, Empire Damansara, No.2, Jalan PJU 8/8A, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue by the Council Members on 11 June 2025.

2. Principal accounting policies

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with the rules of the Association, the provisions of Societies Act 1966 and the Malaysian Private Entities Reporting Standard.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

2.2.2. Significant accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and its subsidiaries listed under Note 13 made up to the end of the financial year. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

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2.2.2. Significant accounting policies (continued)

Basis of consolidation (continued)

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the cost of business combination (includes directly attributable costs) over the acquirer's interest in the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as an equity instrument financial asset depending on the level of influence retained.

Income recognition

Members entrance fees are recognised in the statement of income and expenditure in the year in which the new members are approved.

Delegation fee or tickets entrance fees for events are recognised in the statement of income and expenditure where events take place.

Subscription fees and events organisation income are recognised in the statement of income and expenditure on an accrual basis.

Interest income is recognised in the statement of income and expenditure as it accrues, taking into account the effective yield on the asset.

Rental income is recognised as it accrues unless collectability is in doubt.

Foreign currencies

(i) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), being the functional currency of the Group and the Association.

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2.2.2. Significant accounting policies (continued)

Foreign currencies (continued)

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the Group and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in the statement of income and expenditure.

The principal exchange rate for every unit of foreign currency ruling at reporting date used is as follows:

	2024	2023
	RM	RM
United States Dollar	4.476	4.590

Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Obligations for contribution to defined contribution plans such as Employees Provident Fund are recognised as an expense in the statement of income and expenditure as incurred.

Income tax

Income tax on the surplus or deficit for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable surplus for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statement of income and expenditure.

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2.2.2. Significant accounting policies (continued)

Income tax (continued)

Where investment property is carried at fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of the investment property at the carrying amount at the reporting date unless the investment property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Impairment of non financial assets

The carrying amount of non financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised in statement of income and expenditure in the reporting period in which it arises.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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. The reversal is recognised in statement of income and expenditure.

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2.2.2. Significant accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of an item of property, plant and equipment are recognised in statement of income and expenditure in the reporting period in which they are incurred.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the statement of income and expenditure.

Depreciation on property, plant and equipment is calculated on a straight line basis at the following annual rates based on their estimated useful lives:

Leasehold building	2%
Office equipment and computers	20%
Furniture and fittings	10%
Renovation	10%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Investment in subsidiaries

A subsidiary is a company controlled by the Association. Control exists when the Association has the power, directly or indirectly, to govern the financial and operating policies of a company so as to derive benefits from its activities.

The Association's investment in subsidiaries are stated at cost less impairment losses, if any.

Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both.

Investment properties are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Investment properties are subsequently measured at fair value with any change therein recognised in statement of income and expenditure for the period in which they arise.

If a reliable measure of fair value is not available without undue cost or effort for an item of investment property, the item is measured at cost less accumulated depreciation and any accumulated impairment losses until a reliable measure of fair value becomes available. The carrying amount of the investment property on that date becomes its cost.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

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2.2.2. Significant accounting policies (continued)

Financial instruments

Financial instruments are recognised in the statement of financial position when the Company has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (normally the transaction price) plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. If the arrangement constitutes a financing transaction, the entity shall measure the financial instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

(i) Debt instruments

Subsequent to initial recognition, debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

- (a) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmarked against a quoted or observable interest rate;
- (b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior periods; and
- (c) prepayment option, if any, is not contingent on future events.

Gains or losses are recognised in profit or loss when the debt instruments are derecognised or impaired, and through the amortisation process.

Debt instruments are classified as current assets/liabilities, except for those having maturity dates later than 12 months after the reporting date which are classified as non current.

(ii) Equity instruments

Investments in equity instruments are subsequently measured at fair value through profit or loss, if the shares are publicly traded or their fair value can be measured reliably without undue cost or effort. Otherwise, they are measured at cost less impairment.

Investments in equity instruments are classified as non current assets, unless they are expected to be realised within 12 months after the reporting date.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any newly created rights and obligations) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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2.2.2. Significant accounting policies (continued)

Financial instruments (continued)

The Group assesses at each reporting date whether there is any objective evidence that a financial asset, other than those classified as fair value through profit or loss, is impaired. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis on similar risk characteristics. An impairment loss is measured as follows:

- (a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- (b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

The impairment loss is recognised in profit or loss.

If in a subsequent reporting period, the amount of impairment loss decreases and this can be related objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Statements of cash flows

Statements of cash flows are prepared using the direct method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft and fixed deposits pledged.

3. Critical accounting estimates and judgements

In the preparation of the financial statements, the Council Members are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated by the Council Members and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, which are described above, Council Members are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Council Members believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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4. Events income and events operating expenses

These represent income and operating expenses derived from events organised throughout the year, including the CyberSecurity Conference, PIKOM Lead Conference, CIO Chapter Conference and other events, GBS Awards and Events, PIKOM Academy, PIKOM ICT Awards, PIKOM Charity Golf, Women in Tech event and other PIKOM members' activities.

5. Other income

This represents income derived from GBS Malaysia Chapter Membership Fees, rental income, research and other miscellaneous income.

6. International affairs

This represents expenses incurred on membership fees for Asian-Oceanian Computing Industry Organization ("ASOCIO") and the World Information Technology and Service Alliance (WITSA) while the current year expenses represent Malaysia's involvement in international affairs activities organised by ASOCIO. These activities serve to promote the Association and introduce its members and companies to international bodies.

7. Membership services

This represents expenses incurred on research and survey, annual general meeting, government affairs meetings, members networking sessions, members learning events, and council and committees meetings.

8. Staff costs

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
Defined contribution plan	138,498	122,671	110,360	81,692
Salaries, allowances and bonus	1,210,908	1,071,534	1,039,232	767,736
Other employee related expenses	68,790	66,173	45,273	40,285
	<u>1,418,196</u>	<u>1,260,378</u>	<u>1,194,865</u>	<u>889,713</u>

9. Finance income

	Group and Association	
	2024	2023
	RM	RM
Interest income from:		
- fixed deposit with a licensed bank	11,931	24,682
- repo placement	5,018	1,044
	<u>16,949</u>	<u>25,726</u>

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10. Finance cost

	Group and Association	
	2024	2023
	RM	RM
Interest expense on overdraft	803	-
Interest expense on term loans	231,542	240,589
	<u>232,345</u>	<u>240,589</u>

11. Income tax expense

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
Expected income tax payable				
- current year	-	-	-	-
- under provision in prior year	(378)	-	(378)	-
	<u>(378)</u>	<u>-</u>	<u>(378)</u>	<u>-</u>

A reconciliation of income tax expense applicable to surplus/(deficit) before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
Surplus/(Deficit) before tax	<u>194,251</u>	<u>(100,958)</u>	<u>343,561</u>	<u>98,350</u>
Taxation at statutory tax rate of 26% (2023: 26%)	(52,300)	54,200	(89,300)	(25,600)
Expenses not deductible for tax purposes	(59,600)	(75,200)	(57,000)	(69,000)
Income not subject to tax	145,000	63,000	145,000	63,000
Deferred tax assets not recognised	(34,400)	(73,600)	-	-
Utilisation of deferred tax previously not recognised	1,300	31,600	1,300	31,600
Under provision of income tax in prior years	(378)	-	(378)	-
Income tax expense for the year	<u>(378)</u>	<u>-</u>	<u>(378)</u>	<u>-</u>

The tax expense in the statement of income and expenditure of the Association represents taxation at scale rates applicable for Trade Associations based on the excess of income over expenditure for the year after deduction of exemption on its statutory income from member's subscription fees pursuant to Income Tax (Exemption) No. 19 Order 2005.

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11. Income tax expense (continued)

Presented after appropriate offsetting as follows:

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
Deferred tax assets	5,300	29,100	5,000	29,000
Deferred tax liabilities	(5,300)	(29,100)	(5,000)	(29,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax liabilities of the Group and the Association are in respect of the tax effect of excess of tax capital allowances over related depreciation of property, plant and equipment.

Deferred tax assets of the Group and the Association are in respect of the following:

	Group		Association	
	Gross		Gross	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unutilised business losses to be utilised up to financial year ending				
- 31 December 2028	7,610,000	7,571,000	1,854,000	1,844,000
- 31 December 2029	1,322,000	1,322,000	335,600	335,600
- 31 December 2030	590,000	590,000	143,000	143,000
- 31 December 2031	625,000	625,000	149,500	149,500
- 31 December 2032	358,000	358,000	86,000	86,000
- 31 December 2033	313,000	304,000	75,400	73,000
- 31 December 2034	141,000	-	34,000	-
Unutilised capital allowance	184,000	184,000	44,000	44,000
	<u>11,143,000</u>	<u>10,954,000</u>	<u>2,721,500</u>	<u>2,675,100</u>
Less: Deferred tax assets recognised	(19,900)	(112,300)	(5,300)	(29,100)
Deferred tax assets not recognised	<u>11,123,100</u>	<u>10,841,700</u>	<u>2,716,200</u>	<u>2,646,000</u>

	Association		Association	
	Gross		Gross	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unutilised business losses to be utilised up to financial year ending				
- 31 December 2028	1,365,000	1,326,000	355,000	345,000
- 31 December 2029	923,000	923,000	240,000	240,000
- 31 December 2030	85,000	85,000	22,000	22,000
	<u>2,373,000</u>	<u>2,334,000</u>	<u>617,000</u>	<u>607,000</u>
Less: Deferred tax assets recognised	(19,000)	(112,000)	(5,000)	(29,000)
Deferred tax assets not recognised	<u>2,354,000</u>	<u>2,222,000</u>	<u>612,000</u>	<u>578,000</u>

Portion of the deferred tax assets have not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these unused tax benefits.

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12. Property, plant and equipment

Group	Leasehold building RM	Office equipment and computers RM	Furniture and fittings RM	Renovation RM	Total RM
Cost					
At 1 January 2023	5,768,510	722,387	546,437	698,464	7,735,798
Addition	-	596	-	-	596
Write offs	-	(30,935)	(27,052)	-	(57,987)
At 31 December 2023	5,768,510	692,048	519,385	698,464	7,678,407
Addition	-	20,764	10,630	33,894	65,288
Transfer to investment properties	(1,894,387)	-	-	-	(1,894,387)
Write offs	-	(244,824)	(5,560)	(475)	(250,859)
At 31 December 2024	3,874,123	467,988	524,455	731,883	5,598,449
Accumulated depreciation					
At 1 January 2023	1,067,175	717,214	501,863	620,678	2,906,930
Charge for the year	115,370	2,276	37,651	54,155	209,452
Write offs	-	(30,892)	(25,024)	-	(55,916)
At 31 December 2023	1,182,545	688,597	514,490	674,834	3,060,466
Charge for the year	115,370	1,999	2,294	7,783	127,446
Transfer to investment properties	(426,237)	-	-	-	(426,237)
Write offs	-	(244,823)	(5,556)	(474)	(250,853)
At 31 December 2024	871,678	445,773	511,228	682,143	2,510,822
Carrying amount					
At 31 December 2024	3,002,445	22,215	13,227	49,740	3,087,627
At 31 December 2023	4,585,965	3,451	4,895	23,630	4,617,941

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12. Property, plant and equipment (continued)

Association	Leasehold building RM	Office equipment and computers RM	Furniture and fittings RM	Renovation RM	Total RM
Cost					
At 1 January 2023	5,768,510	396,709	529,869	698,464	7,393,552
Additions	-	200	-	-	200
Write offs	-	(11,881)	(27,052)	-	(38,933)
At 31 December 2023	5,768,510	385,028	502,817	698,464	7,354,819
Additions	-	20,764	10,630	33,894	65,288
Transfer to investment properties	(1,894,387)	-	-	-	(1,894,387)
Write offs	-	-	(5,560)	(475)	(6,035)
At 31 December 2024	3,874,123	405,792	507,887	731,883	5,519,685
Accumulated depreciation					
At 1 January 2023	1,067,175	393,110	486,462	620,679	2,567,426
Charge for the year	115,370	845	37,328	54,155	207,698
Write offs	-	(11,879)	(25,024)	-	(36,903)
At 31 December 2023	1,182,545	382,076	498,766	674,834	2,738,221
Charge for the year	115,370	1,884	2,009	7,783	127,046
Transfer to investment properties	(426,237)	-	-	-	(426,237)
Write offs	-	-	(5,556)	(474)	(6,030)
At 31 December 2024	871,678	383,960	495,219	682,143	2,433,000
Carrying amount					
At 31 December 2024	3,002,445	21,832	12,668	49,740	3,086,685
At 31 December 2023	4,585,965	2,952	4,051	23,630	4,616,598

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12. Property, plant and equipment (continued)

At the reporting date,

- (i) the leasehold building of the Group and the Association with a carrying amount of RM3,002,445 (2023: RM4,585,965) have been charged as collateral to secure the banking facilities referred to in Note 18; and
- (ii) the strata title deed to the leasehold building have yet to be transferred to the Association by the developer.

13. Investment in a subsidiary

	Association 2024 RM	2023 RM
Unquoted equity shares at cost		
At beginning/end of year	100,000	100,000
Accumulated impairment losses		
At beginning of year	(100,000)	-
Impairment loss for the year	-	(100,000)
At end of year	(100,000)	(100,000)
Carrying amount	-	-

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Group's effective interest		Principal activity
		2024	2023	
Subsidiary of the Association				
PIKOM Services Sdn Bhd	Malaysia	100%	100%	Event organiser
Subsidiary of PIKOM Services Sdn Bhd				
WCIT 2022 Sdn Bhd	Malaysia	100%	100%	Event organiser

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14. Investment properties

	Group and Association	
	2024	2023
	RM	RM
Leasehold building, at fair value		
At beginning	7,062,426	7,062,426
Transfer from property, plant and equipment (Note 12)	1,468,150	-
Fair value gain during the year	481,758	-
At end of year	<u>9,012,334</u>	<u>7,062,426</u>

At the reporting date,

- (i) the leasehold building of the Group and the Association have been charged as collateral to secure the banking facilities referred to in Note 18; and
- (iii) the strata title deed to the leasehold building have yet to be transferred to the Association by the developer.

The fair value of investment property is determined as follows:

The fair value of investment property of the Group were stated by the Council based on professional valuations carried out by Mr Hoa Chee Guan, a registered valuer with Mohd. Nor & Partners (PJ) Sdn Bhd on 2 May 2022 by using the comparison approach of valuation.

The comparison approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, the property being valued is compared with sales of similar properties that have been transacted in the open market. Listing and offering may also be considered. Valuation may be significantly affected by the timing and the characteristics (such as location, accessibility, design, size, improvements and amenities) of the property transactions used for comparison.

The following are recognised in profit or loss in respect of investment properties:

	Group and Association	
	2024	2023
	RM	RM
Rental income	<u>454,500</u>	<u>345,000</u>

15. Trade receivables

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
Trade receivables	959,413	1,360,154	928,649	1,340,454
Less: Allowance for doubtful debts	(203,180)	(101,000)	(203,180)	(101,000)
	<u>756,233</u>	<u>1,259,154</u>	<u>725,469</u>	<u>1,239,454</u>

The movements in the allowance for doubtful debts account for trade receivables that are individually impaired at reporting date are as follows:

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
At beginning of year	101,000	157,700	101,000	157,700
Allowance during the year	103,180	-	103,180	-
Reversal	-	(20,000)	-	(20,000)
Write offs	(1,000)	(36,700)	(1,000)	(36,700)
At end of year	<u>203,180</u>	<u>101,000</u>	<u>203,180</u>	<u>101,000</u>

The Group's normal trade credit term granted are case to case basis.

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16. Other receivables, deposits and prepayments

	Group		Association	
	2024 RM	2023 RM	2024 RM	2023 RM
Amount due from subsidiaries	-	-	1,477,707	1,302,008
Less: Allowance for doubtful debts	-	-	(676,948)	(672,441)
	-	-	800,759	629,567
Other receivables	97,800	100,514	97,800	100,514
Less: Allowance for doubtful debts	(31,747)	-	(31,747)	-
	66,053	100,514	66,053	100,514
Sundry deposits	32,760	52,635	18,810	38,685
Prepayments	31,393	43,087	19,434	31,558
	<u>130,206</u>	<u>196,236</u>	<u>905,056</u>	<u>800,324</u>

The movements in the allowance for doubtful debts account for other receivables that are individually impaired at reporting date are as follows:

	Group		Association	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of year	-	-	672,441	654,789
Allowance during the year	31,747	-	36,254	17,652
At end of year	<u>31,747</u>	<u>-</u>	<u>708,695</u>	<u>672,441</u>

The amount due from subsidiaries represents unsecured interest free advances receivable on demand.

17. Cash and cash equivalents

	Group		Association	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	524,923	639,056	315,848	453,708
Repo placement with a licensed bank	800,000	800,000	800,000	800,000
Fixed deposits with a licensed bank	33,500	31,823	33,500	31,823
	<u>1,358,423</u>	<u>1,470,879</u>	<u>1,149,348</u>	<u>1,285,531</u>

The fixed deposits with a licensed bank is pledged as collaterals to secure the term loan referred to in Note 18.

The foreign currency exposure profile of cash and bank balances is as follows:

	Group		Association	
	2024 RM	2023 RM	2024 RM	2023 RM
United States Dollar	<u>13,086</u>	<u>71,863</u>	<u>13,086</u>	<u>71,863</u>

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18. Borrowings

	Group and Association	
	2024	2023
	RM	RM
Term loans		
- non current portion	3,801,934	4,104,006
- current portion	302,072	240,802
	4,104,006	4,344,808
Bank overdrafts	201	214
	<u>4,104,207</u>	<u>4,345,022</u>
The non current portion of term loans is payable as follows:		
Later than 1 year and not later than 2 years	315,651	240,802
Later than 2 years and not later than 5 years	1,035,358	722,406
Later than 5 years	2,450,925	3,140,798
	<u>3,801,934</u>	<u>4,104,006</u>

The effective interest rates are as follows:

	2024	2023
	%	%
Bank overdraft	7.00	7.00
Term loans	<u>5.48</u>	<u>5.48</u>

The borrowings are secured by way of a first fixed charge over the leasehold building and fixed deposits with a licensed bank of the Group and the Association as disclosed in Note 12, 14 and 17.

19. Trade payables

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
Third parties	<u>300,241</u>	<u>592,428</u>	<u>298,321</u>	<u>581,689</u>

The normal trade credit terms granted to the Group are 30 to 60 days (2023: 30 to 60 days).

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20. Other payables and accruals

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
Amount held on behalf of APICTA	409,222	408,379	409,222	408,379
Other payables	217,917	262,011	217,917	262,011
Accruals	292,520	214,243	172,803	116,283
Deposits received	137,200	88,000	137,200	88,000
Unearned income	146,680	153,590	146,680	153,590
	<u>1,203,539</u>	<u>1,126,223</u>	<u>1,083,822</u>	<u>1,028,263</u>

Unearned income comprise advance payments received for events and membership.

21. Significant related party transactions

	Association	
	2024	2023
	RM	RM
With subsidiaries:		
- Events expenditure	100,068	71,915
- Reimbursement of staff cost by a subsidiary	<u>480,409</u>	<u>254,575</u>

22. Financial instruments

Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Association	
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial assets				
Amortised cost:				
- cash and cash equivalents	1,358,423	1,470,879	1,149,348	1,285,531
- trade and other receivables	<u>855,046</u>	<u>1,412,303</u>	<u>1,611,091</u>	<u>2,008,220</u>
	<u>2,213,469</u>	<u>2,883,182</u>	<u>2,760,439</u>	<u>3,293,751</u>
Financial liabilities				
Amortised cost:				
- trade and other payables	1,357,100	1,565,061	1,235,463	1,456,362
- bank overdraft	201	214	201	214
- term loans	<u>4,104,006</u>	<u>4,344,808</u>	<u>4,104,006</u>	<u>4,344,808</u>
	<u>5,461,307</u>	<u>5,910,083</u>	<u>5,339,670</u>	<u>5,801,384</u>