

MALAYSIA AUSTRALIA BUSINESS COUNCIL
(Registration No. 27686)

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

Registration No. 27686

MALAYSIA AUSTRALIA BUSINESS COUNCIL
(Incorporated in Malaysia)

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

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

	Note	2023 RM	2022 RM
ASSETS			
Non-current asset			
Property, plant and equipment	5	388,382	389,459
Total non-current asset		<u>388,382</u>	<u>389,459</u>
Current assets			
Receivables, deposits and prepayments	6	14,849	186,756
Fixed deposits with licensed bank	7	123,577	120,206
Cash and bank balances		148,223	281,297
Tax recoverable		9,046	10,236
Total current assets		<u>295,695</u>	<u>598,495</u>
TOTAL ASSETS		<u>684,077</u>	<u>987,954</u>
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds			
Balance at 1 January		685,445	756,519
Deficit for the financial year		(63,972)	(71,074)
TOTAL ACCUMULATED FUNDS		<u>621,473</u>	<u>685,445</u>
Current liability			
Payables and deposits	8	62,604	302,509
Total current liability		<u>62,604</u>	<u>302,509</u>
TOTAL LIABILITY		<u>62,604</u>	<u>302,509</u>
TOTAL ACCUMULATED FUNDS AND LIABILITY		<u>684,077</u>	<u>987,954</u>

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

CERTIFIED TRUE AND CORRECT,



.....
Dato' Sr Peter Tan @ Tan Choon Hoo
Chairman

Kuala Lumpur

Date: 30 MAY 2024



.....
Liau Cheong
Honorary Treasurer

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

	Note	2023 RM	2022 RM
Income			
Advertisements and other sponsorship		1,600	1,360
Dinner and dance		211,800	232,230
Members' annual fees		300,725	241,152
Members' admission fees		30,000	33,500
Seminars and functions		142,999	76,025
Fixed deposit interest		3,370	2,183
Realised foreign gain		237	-
Rental income		25,200	24,000
Sundry income		4,614	11,601
		<u>720,545</u>	<u>622,051</u>
Less : Expenditure			
Accounting fees		13,878	12,823
Audit fee			
- Current year		750	795
Bank charges		6,081	1,653
Bonus		9,524	16,133
Depreciation on property, plant and equipment		23,650	15,556
Dinner and Dance		210,559	208,180
Gifts, souvenirs, gratuity and condolences		3,682	-
Insurance		4,795	4,190
Internet		2,336	1,936
Maintenance charges		5,983	5,994
Medical expenses		2,444	1,925
Miscellaneous expenses		-	17
Office expenses		22,409	13,789
Payroll expenses:			
- Salaries and wages		251,240	240,575
- Contribution to Employees Provident Fund		31,734	31,245
- Socso		3,081	2,385
- EIS		345	199
Postage and delivery		-	185
Printing and stationery		4,093	13,565
Balance carried forward		<u>596,584</u>	<u>571,145</u>

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)**

	Note	2023 RM	2022 RM
Balance brought forward		596,584	571,145
Quit rent and assessment		1,045	1,045
Realised foreign loss		-	34
Rental of equipment		-	370
Rental photocopy		2,590	-
Repair and maintenance		460	450
Seminar and function expenses		137,646	67,684
Sewerage charges		432	422
Stamp duty		10	30
Sinking fund		684	684
Telephone and fax		1,814	1,750
Trade receivables written off		-	20,662
Travelling expenses		12,347	8,395
Upkeep of computer equipment		15,309	-
Upkeep of premises		500	1,000
Utilities		8,739	10,045
Website expenses		6,378	8,982
		<u>784,538</u>	<u>692,698</u>
Deficit Before Taxation		(63,993)	(70,647)
Taxation	9	(21)	427
Deficit For The Financial Year		<u>(63,972)</u>	<u>(71,074)</u>
Payroll:	Note	RM	RM
- Salaries and wages		251,240	240,575
- Contribution to Employees Provident Fund		31,734	31,245
- Socso		3,081	2,385
- EIS		345	199
		<u>286,400</u>	<u>274,404</u>

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

**STATEMENT OF ACCUMULATED FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Accumulated Funds RM	Total RM
Balance as at 1 January 2022	756,519	756,519
Deficit for the financial year ended 31 December 2022	<u>(71,074)</u>	<u>(71,074)</u>
Balance as at 31 December 2022	685,445	685,445
Deficit for the financial year ended 31 December 2023	<u>(63,972)</u>	<u>(63,972)</u>
Balance as at 31 December 2023	<u>621,473</u>	<u>621,473</u>

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

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

	2023	2022
	RM	RM
Cash flows from operating activities		
Deficit before taxation	(63,993)	(70,647)
Adjustments for:		
Depreciation on property, plant and equipment	23,650	15,556
Trade receivables written off	-	20,662
Interest income	(3,370)	(2,183)
Operating deficit before working capital changes	<u>(43,713)</u>	<u>(36,612)</u>
Changes in working capital:		
Receivables	171,907	(33,706)
Payables	(239,905)	118,252
Net cash (used in)/generated from operations	<u>(111,711)</u>	<u>47,934</u>
Income tax paid	(521)	(439)
Income tax refund	1,732	-
Interest received	3,370	2,183
Net cash (used in)/generated from operating activities	<u>(107,130)</u>	<u>49,678</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	(22,573)	(5,360)
Net cash used in investing activity	<u>(22,573)</u>	<u>(5,360)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(129,703)</u>	<u>44,318</u>
Cash and cash equivalents brought forward	<u>401,503</u>	<u>357,185</u>
Cash and cash equivalents carried forward	<u>271,800</u>	<u>401,503</u>
Cash and cash equivalents comprise:		
Fixed deposits with licensed banks	123,577	120,206
Cash and bank balances	148,223	281,297
	<u>271,800</u>	<u>401,503</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Malaysia Australia Business Council ("MABC") is a non-profit making organisation, incorporated and domiciled in Malaysia.

The registered office and principal place of business of the Council are located at C-26-3A, 3 Two Square, No.2 Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue in accordance with a resolution of the Council on 30 May 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Council have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

2.2 Adoption of new MFRS and amendments to MFRSs

The Council has adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Council and did not result in significant changes to the Council's existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Council disclosed its material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Council.

2. BASIS OF PREPARATION (CONTINUED)

2.3 Amendments to MFRSs that have been issued, but yet to be effective

- (a) The Council has not adopted the following amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Council plans to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Council are summarised below.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The financial statements are expressed in Ringgit Malaysia ("RM"), which is also the Council's functional currency.

2.5 Basis of measurement

The financial statements of the Council have been prepared on the historical cost basis, other than as disclosed in the material accounting policy information in Note 3 to the financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently in dealing to all the financial years presented in the financial statements of the Council.

3.1 Financial instruments

Financial assets - subsequent measurements and gains and losses

Debt instrument at amortised cost

These assets are subsequent measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and losses

The Council classifies the financial liabilities at amortised cost.

The Council subsequently measures other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss derecognition is also recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Property, plant and equipment

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

All property, plant and equipment are depreciation on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Leasehold building	50 years
Air-conditioners	5 years
Computers and accessories	2.5 years
Computer Software	2.5 years
Furniture and fittings	10 years
Office equipment	10 years
Renovation	5 years

3.3 Revenue and other income

Advertisements and other sponsorship, members' annual fees, members' admission fees, fixed deposit interest and income from seminar and functions, rental income, souvenir programme, and partners-in-progress/sponsorship are recognised on an accrual basis.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Council's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Council's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Council's financial statements within the next financial year are disclosed as follows:

(a) Depreciation and useful lives of property, plant and equipment

The Council reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Council's property, plant and equipment are disclosed in Note 5.

(b) Impairment of financial assets

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rate. The Council uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Council's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets. The Council's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

5. PROPERTY, PLANT AND EQUIPMENT

2023	Leasehold building RM	Air-conditioners RM	Computer and accessories RM	Computer Software RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
Cost								
At 1 January 2023	494,137	5,250	33,137	-	4,017	6,932	29,095	572,568
Additions	-	-	6,238	16,335	-	-	-	22,573
At 31 December 2023	494,137	5,250	39,375	16,335	4,017	6,932	29,095	595,141
Accumulated depreciation								
At 1 January 2023	114,363	5,247	29,189	-	3,790	6,910	23,610	183,109
Charge for the year	9,883	-	4,149	5,445	100	9	4,064	23,650
At 31 December 2023	124,246	5,247	33,338	5,445	3,890	6,919	27,674	206,759
Carrying amount								
At 31 December 2023	369,891	3	6,037	10,890	127	13	1,421	388,382

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2022 Cost	Leasehold building RM	Air- conditioners RM	Computer and accessories RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Total RM
At 1 January 2022	494,137	5,250	27,777	4,017	6,932	29,095	567,208
Additions	-	-	5,360	-	-	-	5,360
At 31 December 2022	494,137	5,250	33,137	4,017	6,932	29,095	572,568
Accumulated depreciation							
At 1 January 2022	104,481	5,247	27,691	3,690	6,897	19,547	167,553
Charge for the year	9,882	-	1,498	100	13	4,063	15,556
At 31 December 2022	114,363	5,247	29,189	3,790	6,910	23,610	183,109
Carrying amount							
At 31 December 2022	379,774	3	3,948	227	22	5,485	389,459

The leasehold building is held in trust by 2 executive committee members and a representative of a corporate member.

6. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023	2022
	RM	RM
Non-trade		
Subscription receivables	30,125	204,377
Less: Impairment loss	(25,000)	(25,000)
	<u>5,125</u>	<u>179,377</u>
Other receivable	330	-
Deposits	3,442	3,442
Prepayments	5,952	3,937
Total receivables	<u>14,849</u>	<u>186,756</u>

Receivables that are impaired

The Council's receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of receivables is as follows:

	2023	2022
	RM	RM
At 1 January/31 December	<u>(25,000)</u>	<u>(25,000)</u>

7. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of the Council have maturity period of 12 months (2022: 12 months). The interest rate per annum as at the reporting date is 1.85% - 2.85% (2022: 1.85%).

8. PAYABLES AND DEPOSITS

	2023	2022
	RM	RM
Advance subscription	50,450	295,355
Other payables	3,952	799
Accruals	3,452	2,755
Deposits	4,750	3,600
	<u>62,604</u>	<u>302,509</u>

9. TAXATION

	2023 RM	2022 RM
Income tax		
- current year	115	292
- (over)/under provision in prior year	(136)	135
Total income tax	<u>(21)</u>	<u>427</u>

A reconciliation of income tax expense on deficit before taxation with the applicable statutory income tax rate is as follow:

	2023 RM	2022 RM
Deficit before taxation	<u>(63,993)</u>	<u>(70,647)</u>
Tax at applicable tax rate of 1% (2022: 1%)	(640)	(706)
Tax effects arising from:		
- non-deductible expenses	4,322	6,632
- non-taxable income	(3,567)	(5,634)
- (over)/under provision in prior year	(136)	135
Taxation for the financial year	<u>(21)</u>	<u>427</u>

Registration No. 27686

MALAYSIA AUSTRALIA BUSINESS COUNCIL
(Incorporated in Malaysia)

STATUTORY DECLARATION


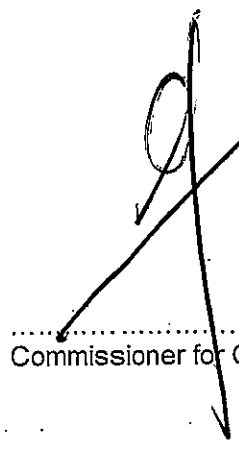
I, Liau Cheong, being the honorary treasurer primarily responsible for the financial management of Malaysia Australia Business Council, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements are correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



.....
Liau Cheong

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on
30 MAY 2024

Before me,



.....
Commissioner for Oaths
CHAMBERS TWENTY - FIVE
NO 25, JALAN TUNKU, BUKIT TUNKU
50480 KUALA LUMPUR

Registration No. 27686

REPORT OF THE HONORARY AUDITORS TO THE MEMBERS OF MALAYSIA AUSTRALIA BUSINESS COUNCIL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Malaysia Australia Business Council, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 1 to 14.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Council as at 31 December 2023, and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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.

Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Council is also responsible for such internal controls as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Council for the Financial Statements (Continued)

In preparing the financial statements of the Council, the Council is responsible for assessing the Council'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 either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for overseeing the Council's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Council as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Council, 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 Council's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- conclude on the appropriateness of the Council's 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 Council'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 Council 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 Council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Council, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

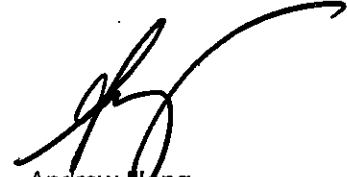
We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Council and for no other purpose. We do not assume responsibility to any other person for the contents of this report.



Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF0117
Chartered Accountants



Andrew Heng
No. 02935/08/2024 J
Chartered Accountant

Kuala Lumpur

Date: 30 May 2024