

**INSOLVENCY PRACTITIONERS  
ASSOCIATION OF MALAYSIA  
("IPAM")  
(0354-10-WKL)**

Financial Statements  
For the Financial Year Ended  
31 December 2017

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## GENERAL INFORMATION

### COUNCIL MEMBERS

Datuk Ooi Woon Chee (President) - Chairman

Lim San Peen (Vice President)

Ong Hock An (Secretary)

Datuk Ng Seing Liong (Treasurer)

Stephen Duar Tuan Kiat (~~Immediate Past President~~)

Dato' Gan Ah Tee

Lee Shih

Lim Tian Huat

Rabindra Santhanasegira A/L R.S. Nathan

Dato' Raveenda Kumar Nathan

Yip Kok Leong

Yoong Sin Min

Khoo Poh Poh

Kumar Kanagasingam

Suhendran A/L Sockanathan

### BANKERS

Hong Leong Bank Berhad

### REGISTERED OFFICE


KPMG, Level 10, KPMG Tower,  
8 First Avenue, Bandar Utama,  
47800 Petaling Jaya,  
Selangor

**STATEMENT BY COUNCIL MEMBERS**

We, Datuk Ooi Woon Chee and Datuk Ng Seing Liong, being two of the Council Members of the Insolvency Practitioners Association Of Malaysia, do hereby state that, in the opinion of the Council Members, the accounts set out on pages 4 to 11 are drawn up so as to give a true and fair view of the financial position of the Insolvency Practitioners Association Of Malaysia as at 31 December 2017 and of its income and expenditure and changes in cash flows for the financial year then ended in accordance with the basis of accounting described in Notes 3 and 4 to the accounts.



DATUK OOI WOON CHEE  
PRESIDENT



DATUK NG SEING LIONG  
TREASURER

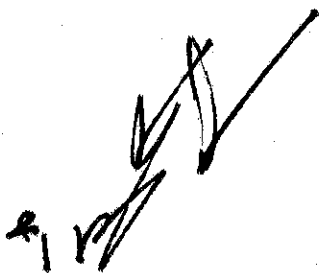
Date: 13 March 2018  
Kuala Lumpur

**REPORT OF THE AUDITORS TO THE MEMBERS OF THE INSOLVENCY  
PRACTITIONERS ASSOCIATION OF MALAYSIA**

I have audited the accounts set out on pages 4 to 11. The accounts are the responsibility of the Council Members of the Insolvency Practitioners Association Of Malaysia. My responsibility is to express an opinion on the accounts based on the audit, and to report my opinion to you, as a body and for no other purpose. I do not assume responsibility to any other person for the content of the report.

I conducted my audit in accordance with approved auditing standards in Malaysia. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Council Members of the Insolvency Practitioners Association Of Malaysia, as well as evaluating the overall accounts presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the accounts present fairly, in all material respects, the financial position of Insolvency Practitioners Association Of Malaysia as at 31 December 2017 and of its income and expenditure and cash flows for the year then ended, in accordance with the basis of accounting described in Notes 3 and 4 to the accounts.



Bala Subramaniam Rasu

Honorary Auditors  
IPAM Membership No. 0050

Date: 13 March 2018

Subang Jaya, Selangor Darul Ehsan

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 RM	2016 RM
<b>ASSETS</b>			
Current Assets			
Current tax assets		3,899	-
Fixed deposits	4c	78,101	75,997
Bank and cash balances		206,741	143,240
		<u>288,741</u>	<u>219,237</u>
<b>LIABILITIES</b>			
Current Liabilities			
Other payables	4d	500	-
Current tax liabilities		-	953
		<u>500</u>	<u>953</u>
<b>TOTAL NET ASSETS</b>		<u>288,241</u>	<u>218,284</u>
<b>ACCUMULATED FUND</b>		<u>288,241</u>	<u>218,284</u>
		<u>288,241</u>	<u>218,284</u>

The accompanying notes form an integral part of the financial statement

STATEMENT OF INCOME AND EXPENDITURE  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 RM	2016 RM
Income	4a	41,600	61,595
Operating expenses		(3,056)	(43,318)
Surplus from operations	5	38,544	18,277
Other income	6	32,104	32,221
Surplus before taxation		70,648	50,498
Taxation	7	(691)	(5,106)
Surplus for the year		69,957	45,392

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

**STATEMENT OF CHANGES IN ACCUMULATED FUND  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	Accumulated	Accumulated
	Fund	Fund
	RM	RM
Balance as at 1 January	218,284	172,892
Surplus for the financial year	69,957	45,392
Balance as at 31 December	<u>288,241</u>	<u>218,284</u>

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



**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	2017 RM	2016 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Subscription and admission fees	42,100	28,400
Seminar income	-	33,195
Contribution received	30,000	30,000
Interest earned	2,104	2,221
Annual dinner (net of expenses)	-	(5,733)
Bank charges	(174)	(39)
Website for IPAM	(1,871)	(14,971)
INSOL international membership	-	(21,426)
Banquet and other expenses	(1,011)	(1,149)
Taxation paid	(5,543)	(5,509)
Net cash from operating activities	<u>65,605</u>	<u>44,989</u>
Cash and cash equivalents as at 1 January	<u>219,237</u>	<u>174,248</u>
Cash and cash equivalents as at 31 December	<u>284,842</u>	<u>219,237</u>
Represented by:		
Bank and cash balances	206,741	143,240
Fixed deposit	78,101	75,997
	<u>284,842</u>	<u>219,237</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**1. GENERAL INFORMATION**

The Insolvency Practitioners' Association of Malaysia ("Association") is an association registered with the Registrar of Societies in Malaysia.

The registered office and principal place of business of the Association is located at KPMG, Level 10, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor.

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

The financial statements were authorised for issuance in accordance with a resolution by the Council Members on 13 March 2018

**2. PRINCIPAL ACTIVITIES**

The Association is principally engaged in supporting and advancing the status and interest of the insolvency practice in Malaysia.

**3. BASIS OF ACCOUNTING**

The financial statements of the Association have been prepared under the historical cost convention except as otherwise stated in the financial statements. Membership Admission fee and subscriptions are recognised on cash basis. All other income and expenditure are accounted for on a cash basis. On this basis, income is recognised when received rather than when earned and include payments received up to 31 December, 2017 whilst expenditure is recognised when paid rather than when incurred.

Notes to the financial statements...cont'd

In this regard, income earned and expenditure incurred but not yet recognised in the accounts for the year ended 31 December, 2017 are as follows:

	RM
Income:-	
Share of National Conference Fee	<u>18,117</u>
Expenditure:-	
Subscription to INSOL (estimated)	<u>11,000</u>

The above, had it been recognised, will have a corresponding effect on the income and expenditure account and the statement of financial position as at 31 December, 2017.

4. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

(a) Income

Income consists of membership admission fees and subscriptions and surplus arising from seminars and functions held during the year.

(b) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement represent cash and bank balances and unpledged deposits reduced by outstanding bank overdraft, if any.

The statement of cash flows is prepared using the direct method.

(c) Fixed deposit

Fixed deposits represent placements with approved financial institutions. The fixed deposit bears interest at the rate of 2.8%(2016: 3%) per annum.

(d) Other payables

Other payables represent membership fee received in advance.

Notes to the financial statements...cont'd

(e) Significant Accounting Judgements and Estimates

(i) Critical judgements made in applying accounting policies

There are no critical judgements made by the Council Members in the process of applying the accounting policies of the Association that have significant effect on the amounts recognised in the financial statements.

(ii) Key sources of accounting estimates

There are no key sources of estimation uncertainty as at the end of the financial year that have a significant effect on the carrying amounts of assets and liabilities within the next financial year.

(iii) Fair Value

The fair values of financial assets and liabilities approximate to their carrying values.

5. SURPLUS FROM OPERATIONS

Surplus from operations, amongst others, is stated after:-

	2017	2016
	RM	RM
Crediting:-		
Subscription and admission fee	41,600	28,400
Seminar income	-	33,195
		<hr/>
And charging:-		
Annual dinner (net of expenses)	-	5,733
INSOL international membership	-	21,426
Banquet and other expenses	1,011	1,149
		<hr/>

Notes to the financial statements...cont'd

6. OTHER INCOME

Other income comprise:-

	2017	2016
	RM	RM
Contribution received	30,000	30,000
Interest earned	2,104	2,221
	<u>32,104</u>	<u>32,221</u>

7. TAXATION

	2017	2016
	RM	RM
For the current year	691	953
In respect of prior year	-	4,153
	<u>691</u>	<u>5,106</u>

The Association is treated as a "trade association" in accordance with the Section 53(3) of the Income Tax Act 1967. Tax exemption is allowed on the statutory income from members' subscription and admission fees. A reconciliation of tax expenses applicable to surplus before taxation at the statutory income tax rate to tax expense at the effective tax rate of the Association is as follows: -

	2017	2016
	RM	RM
Surplus before taxation	70,648	50,498
Taxation at Malaysian Statutory scales rates	5,736	2,480
Effect of Income Tax (exemption) (No.19) order 2005	(5,045)	(1,527)
Tax expense in respect of prior year	-	4,153
Tax expense for the year	<u>691</u>	<u>5,106</u>