

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

Financial Statements
For the Financial Year Ended
31 December 2018

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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

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

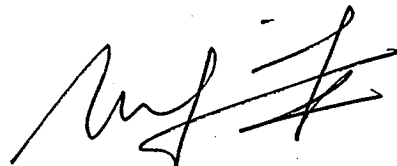
KPMG, Level 10, KPMG Tower,
8 First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor.

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 financial statements set out on pages 4 to 12 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 2018 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 financial statements.



DATUK OOI WOON CHEE
PRESIDENT



DATUK NG SEING LIONG
TREASURER

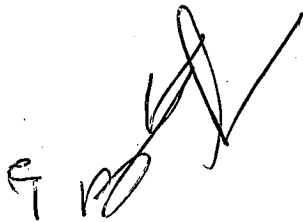
Date: 11 March 2019
Kuala Lumpur

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

I have audited the financial statements set out on pages 4 to 12. The financial statements are the responsibility of the Council Members of the Insolvency Practitioners Association Of Malaysia. My responsibility is to express an opinion on the financial statements 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 presentation of the financial statements. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Insolvency Practitioners Association Of Malaysia as at 31 December 2018 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 financial statements.



Bala Subramaniam Rasu

Honorary Auditors
IPAM Membership No. 0050

Date: 11 March 2019

Subang Jaya, Selangor Darul Ehsan

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 RM	2017 RM (Restated)
ASSETS			
Current Assets			
Receivables	5	41,556	19,017
Current tax assets		3,604	3,899
Fixed deposits	4c	295,782	78,101
Bank and cash balances		47,653	206,741
		<u>388,595</u>	<u>307,758</u>
LIABILITIES			
Current Liabilities			
Payables	6	24,100	11,500
		<u>24,100</u>	<u>11,500</u>
		<u>364,495</u>	<u>296,258</u>
TOTAL NET ASSETS		<u>364,495</u>	<u>296,258</u>
Represented by:			
ACCUMULATED FUND		<u>364,495</u>	<u>296,258</u>
		<u>364,495</u>	<u>296,258</u>

The accompanying notes form an integral part of the financial statements

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	2018 RM	2017 RM (Restated)
Income	4a	76,206	60,617
Operating expenses		(13,485)	(14,056)
Surplus from operations	7	62,721	46,561
Other income	8	7,681	32,104
Surplus before taxation		70,402	78,665
Taxation	9	(2,165)	(691)
Surplus for the year		<u>68,237</u>	<u>77,974</u>

The accompanying notes form an integral part of the financial statements

**STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	Accumulated Fund RM
Balance as at 1 January 2017		218,284
Surplus for the financial year:		
As reported		69,957
Add: Effects of change in accounting policy		8,017
As restated		<u>77,974</u>
Restated balance as at 31 December 2017		<u>296,258</u>
Balance as at 1 January 2018		296,258
Surplus for the financial year		68,237
Balance as at 31 December 2018		<u>364,495</u>

The accompanying notes form an integral part of the financial statements

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Subscription and admission fees	37,150	42,100
Seminar income	18,117	-
Contribution received	-	30,000
Interest earned	7,681	2,104
Website for IPAM	(2,350)	(1,871)
INSOL international membership	-	-
Banquet and other expenses	(135)	(1,185)
Taxation paid	(1,870)	(5,543)
Net cash from operating activities	<u>58,593</u>	<u>65,605</u>
Cash and cash equivalents as at 1 January	284,842	219,237
Cash and cash equivalents as at 31 December	<u>343,435</u>	<u>284,842</u>
Represented by:		
Bank and cash balances	47,653	206,741
Fixed deposit	295,782	78,101
	<u>343,435</u>	<u>284,842</u>

The accompanying notes form an integral part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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 11 March 2019.

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. All income and expenditure are accounted for on an accrual basis. In the previous years, income and expenditure were recognised on cash basis. Accordingly, the comparative figures have been restated and the effects thereof disclosed in note 11 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

(a) Income

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

Notes to the financial statements...cont'd

(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 represents placements with approved financial institutions. The fixed deposits bear interest at the rate of 3.09%(2017: 2.8%) per annum.

(d) 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.

(iii) Fair Value

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

(iv) Provision

A provision is recognised when the Association has an obligation at the reporting date as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision.

Notes to the financial statements...cont'd

5. RECEIVABLES

	2018 RM	2017 RM (Restated)
Receivables represents:		
Membership fee	9,100	900
Share of National Insolvency Conference income	32,456	18,117
	<u>41,556</u>	<u>19,017</u>

6. PAYABLES

	2018 RM	2017 RM (Restated)
Payables represents:		
2019 IPAM welcome dinner	1,600	-
Unearned 2019 membership fee	500	500
INSOL International – membership fee	22,000	11,000
	<u>24,100</u>	<u>11,500</u>

7. SURPLUS FROM OPERATIONS

Surplus from operations is stated after:-

	2018 RM	2017 RM (Restated)
Crediting:-		
Subscription and admission fee	43,750	42,500
Share of surplus - National Insolvency Conference	32,456	18,117
	<u>76,206</u>	<u>60,617</u>
And charging:-		
Website maintenance	2,350	1,871
Membership fee payable	11,000	11,000
Other overheads	135	1,185
	<u>13,485</u>	<u>42,036</u>

Notes to the financial statements...cont'd

8. OTHER INCOME

Other income comprises:-

	2018	2017
	RM	RM
Contribution received	-	30,000
Interest income	7,681	2,104
	<u>7,681</u>	<u>32,104</u>

9. TAXATION

	2018	2017
	RM	RM
For the current year	582	691
In respect of prior year	1,583	-
	<u>2,165</u>	<u>691</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: -

	2018	2017
	RM	RM
Surplus before taxation	70,402	70,648
Taxation at Malaysian Statutory scales rates	4,684	5,736
Effect of Income Tax (exemption) (No.19) order 2005	(4,102)	(5,045)
Tax expense in respect of prior year	1,583	-
Tax expense for the year	<u>2,165</u>	<u>691</u>

10. EFFECTS OF CHANGE IN ACCOUNTING POLICY

During the year, the basis of recognition of income and expenditure was changed from cash basis to accrual basis.

Notes to the financial statements...cont'd

The effects of the aforesaid change to the comparative figures of the financial statements are as set out below:

(a) Statement of Financial Position:

	2017 (RM)		As restated
	As reported previously	Change ±	
Receivables	-	19,017	19,017
Payables	500	11,000	11,500
Accumulated fund	288,241	8,017	296,258

(b) Statement of Income and Expenditure:

	2017 (RM)		As restated
	As reported previously	Change ±	
Income:			
Subscription and admission fee	41,600	900	42,500
Share of surplus – National Insolvency Conference	-	18,117	18,117
Operating expenses:			
Membership fee payables - INSOL International	-	11,000	11,000

11. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the effects of the change in accounting policy stated in Note 3 to the financial statements.