

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

Financial Statements
For the Year Ended
31 December 2020

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GENERAL INFORMATION

COUNCIL MEMBERS

Lim San Peen (President) - Chairman
Mohamed Raslan Abdul Rahman (Vice President)
Datuk Ng Seing Liong (Secretary)
Lim Tian Huat (Treasurer)
Victor Saw Seng Kee
Yoong Sin Min
Khoo Poh Poh
Yip Kok Leong
Dato' Raveendra Kumar Nathan
Kumar Kanagasingam
Rabindra Santhanasegira A/L R.S Nathan
Lee Shih
Adrian Hong Boo Kiat
Dato' Gan Ah Tee
Datuk Stephen Duar Tuan Kiat

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, Lim San Peen and Lim Tian Huat, 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 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 2020 and of its income and expenditure, statement of changes in accumulated fund and changes in cash flows for the financial year then ended in accordance with the basis of accounting principles and policies set out in Notes 3 and 4 to the financial statements.



LIM SAN PEEN
PRESIDENT



LIM TIAN HUAT
TREASURER

Date: 25 March 2021

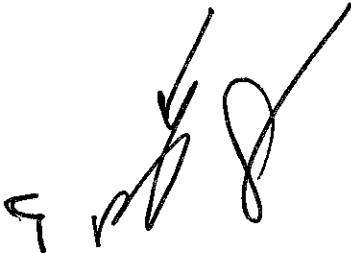
Kuala Lumpur

**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 11. 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 2020 and of its income and expenditure, statement of changes in accumulated fund and cash flows for the year then ended, in accordance with the basis of accounting principles and policies set out in Notes 3 and 4 to the financial statements.



Bala Subramaniam Rasu

Honorary Auditors
IPAM Membership No. 0050

Date: 25 March 2021

Subang Jaya, Selangor Darul Ehsan

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 RM	2019 RM
ASSETS			
Current Assets			
Receivables	5	2,400	22,280
Current tax assets		3,839	3,955
Fixed deposits	6	309,862	304,797
Bank and cash balances		138,878	99,079
		<u>454,979</u>	<u>430,111</u>
LIABILITIES			
Current Liabilities			
Payables	7	<u>45,200</u>	<u>34,200</u>
TOTAL NET ASSETS		<u>409,779</u>	<u>395,911</u>
Represented by:			
ACCUMULATED FUND		<u>409,779</u>	<u>395,911</u>

The accompanying notes form an integral part of the financial statements

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 RM	2019 RM
Income	8	38,650	51,652
Operating expenses		(29,731)	(29,128)
Surplus from operations	9	8,919	22,524
Other income	10	5,065	9,015
Surplus before taxation		13,984	31,539
Taxation	11	(116)	(123)
Surplus for the year		<u>13,868</u>	<u>31,416</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 2020**

	Note	Accumulated Fund RM
Balance as at 1 January 2019		364,495
Surplus for the financial year		31,416
Balance as at 31 December 2019		<u>395,911</u>
Balance as at 1 January 2020		395,911
Surplus for the financial year		13,868
Balance as at 31 December 2020		<u>409,779</u>

The accompanying notes form an integral part of the financial statements

**STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscription and admission fee		36,750	41,300
Seminar income		22,280	29,128
Interest earned		5,065	9,015
Administrative fee		(13,000)	(12,000)
AGM and other expenses		(3,831)	(2,458)
Website maintenance		(2,400)	(2,470)
Refund - welcome dinner		-	(1,600)
Taxation paid		-	(474)
Net cash from operating activities		44,864	60,441
Cash and cash equivalents as at 1 January		403,876	343,435
Cash and cash equivalents as at 31 December		448,740	403,876
Represented by:			
Bank and cash balances		138,878	99,079
Fixed deposit		309,862	304,797
		448,740	403,876

The accompanying notes form an integral part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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 25 March 2021.

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.

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) 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

	2020	2019
	RM	RM
Receivables represents:		
Membership fee	2400	-
Share of National Insolvency Conference income	-	22,280
	<u>2400</u>	<u>22,280</u>

6. FIXED DEPOSITS

Fixed deposits represents placements with approved financial institutions. The fixed deposits bear an effective interest rate of 2.00% (2019: 2.00%) per annum.

7. PAYABLES

	2020	2019
	RM	RM
Payables represents:		
Audit fee	1,200	1,200
INSOL International – membership fee	44,000	33,000
	<u>45,200</u>	<u>34,200</u>

8. INCOME

Income represents:-

	2020	2019
	RM	RM
Admission fee	400	300
Subscription income less write-off of dues from terminated members	38,250	32,400
Seminar income :-		
- current	-	21,463
- overprovision in previous year	-	(2,511)
	<u>38,650</u>	<u>51,652</u>

Notes to the financial statements...cont'd

9. SURPLUS FROM OPERATIONS

Surplus from operations is stated after charging:-

	2020	2019
	RM	RM
Administrative fee	13,000	12,000
Audit fee	1,200	1,200
Membership fee-Insol	11,000	11,000
Meeting expenses	1,510	2,424
Website maintenance	2,400	2,470
Other overheads	621	34
	<hr/>	<hr/>

10. OTHER INCOME

Other income comprises:-

	2020	2019
	RM	RM
Interest on fixed deposits	5,065	9,015
	<hr/>	<hr/>

11. TAXATION

	2020	2019
	RM	RM
For the current year	50	123
In respect of prior year	66	-
	<hr/>	<hr/>
	116	123

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: -

	2020	2019
	RM	RM
Surplus before taxation	13,984	31,539
Taxation at Malaysian Statutory scales rates	150	496
Effect of Income Tax (exemption) (No.19) order 2005	(100)	(373)
Tax expense in respect of prior year	-	-
Underprovision in previous year	66	-
Tax expense for the year	<hr/>	<hr/>
	116	123