

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

Financial Statements  
For the Year Ended  
31 December 2021

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## **GENERAL INFORMATION**

### **COUNCIL MEMBERS**

Mohamed Raslan Abdul Rahman (President) - Chairman

Dato' Raveendra Kumar Nathan (Vice President)

Victor Saw Seng Kee (Secretary)

Adrian Hong Boo Kiat (Treasurer)

Lim San Peen

Dato' Gan Ah Tee

Datuk Stephen Duar Tuan Kiat

Lee Shih

Yip Kok Leong

Kumar Kanagasingam

Rabindra Santhanasegira A/L R.S. Nathan

Yoong Sin Min

Khoo Poh Poh

Alex Chiang Teng Guan

Datuk Ng Seing Liong

### **BANKERS**

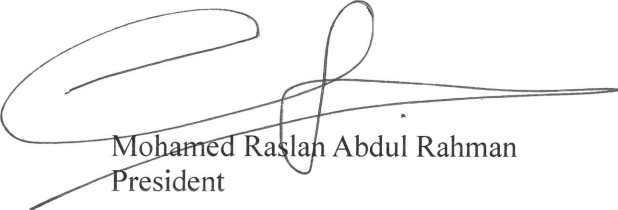
Hong Leong Bank Berhad

### **REGISTERED OFFICE**

Rimbun Capital Sdn Bhd,  
Suite 8-12-4, Menara Mutiara Bangsar,  
Jalan Liku Off Jalan Riong,  
59100 Kuala Lumpur.

### STATEMENT BY COUNCIL MEMBERS

We, Mohamed Raslan Abdul Rahman and Adrian Hong Boo Kiat, 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 2021 and of its income and expenditure, 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.



Mohamed Raslan Abdul Rahman  
President



Adrian Hong Boo Kiat  
Treasurer

Date: 12 April 2022


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 2021 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 principle and policies set out in Notes 3 and 4 to the financial statements.



Bala Subramaniam Rasu

Honorary Auditors  
IPAM Membership No. 0050

Date: 12 April 2022

Subang Jaya, Selangor Darul Ehsan

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Note	2021 RM	2020 RM
<b>ASSETS</b>			
Current Assets			
Receivables	5	26,167	2,400
Current tax assets		3,889	3,839
Fixed deposits	6	314,767	309,862
Bank and cash balances		155,541	138,878
		<u>500,364</u>	<u>454,979</u>
<b>LIABILITIES</b>			
Current Liabilities			
Payables	7	56,400	45,200
Current Tax Liabilities		113	-
		<u>56,513</u>	<u>45,200</u>
<b>TOTAL NET ASSETS</b>		<u>443,851</u>	<u>409,779</u>
<b>Represented by:</b>			
<b>ACCUMULATED FUND</b>		<u>443,851</u>	<u>409,779</u>

The accompanying notes form an integral part of the financial statements

**STATEMENT OF INCOME AND EXPENDITURE  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	<b>Note</b>	<b>2021 RM</b>	<b>2020 RM</b>
Income	8	61,367	38,650
Operating expenses		<u>(32,136)</u>	<u>(29,731)</u>
Surplus from operations	9	29,231	8,919
Other income	10	<u>4,905</u>	<u>5,065</u>
Surplus before taxation		34,136	13,984
Taxation	11	<u>(64)</u>	<u>(116)</u>
Surplus for the year		<u><u>34,072</u></u>	<u><u>13,868</u></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 2021**

	<b>Note</b>	<b>Accumulated Fund RM</b>
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>
Balance as at 1 January 2021		409,779
Surplus for the financial year		34,072
Balance as at 31 December 2021		<u>443,851</u>

The accompanying notes form an integral part of the financial statements



**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 RM	2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscription and admission fee		37,600	36,750
Seminar income		-	22,280
Interest earned		4,905	5,065
Administrative fee		(12,000)	(13,000)
Meeting and other expenses		(6,536)	(3,831)
Website maintenance		(2,400)	(2,400)
Tax paid		(1)	-
Net cash from operating activities		<u>21,568</u>	<u>44,864</u>
Cash and cash equivalents as at 1 January		<u>448,740</u>	<u>403,876</u>
Cash and cash equivalents as at 31 December		<u>470,308</u>	<u>448,740</u>
Represented by:			
Bank and cash balances		155,541	138,878
Fixed deposit		314,767	309,862
		<u>470,308</u>	<u>448,740</u>

The accompanying notes form an integral part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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 Rimbun Capital Sdn Bhd, Suite 8-12-4, Menara Mutiara Bangsar, Jalan Liku Off Jalan Riong, 59100 Kuala Lumpur.

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 12 April 2022.

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

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Receivables represents:		
Membership fee	2,200	2,400
Share of National Insolvency Conference income	23,967	-
	<u>26,167</u>	<u>2,400</u>

6. FIXED DEPOSITS

Fixed deposits represents placements with approved financial institutions. The fixed deposits bear an effective interest rate in the range between 1.5% to 1.6% (2020: 2.00%) per annum.

7. PAYABLES

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Payables represents:		
Audit fee	1,400	1,200
INSOL International – membership fee	55,000	44,000
	<u>56,400</u>	<u>45,200</u>

8. INCOME

Income represents:-

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Admission fee	400	400
Subscription income less write-off of dues from terminated members	37,000	38,250
Seminar income	23,967	-
	<u>61,367</u>	<u>38,650</u>

Notes to the financial statements...cont'd

9. SURPLUS FROM OPERATIONS

Surplus from operations is stated after charging:-

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Administrative fee	12,000	13,000
Audit fee	1,400	1,200
Membership fee-Insol	11,000	11,000
Meeting expenses	5,007	1,510
Website maintenance	2,400	2,400
Other overheads	329	621
	<u>          </u>	<u>          </u>

10. OTHER INCOME

Other income comprises:-

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Interest on fixed deposits	4,905	5,065
	<u>          </u>	<u>          </u>

11. TAXATION

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
For the current year	113	50
In respect of prior year	(49)	66
	<u>          </u>	<u>          </u>
	64	116

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: -

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Surplus before taxation	34,136	13,984
Taxation at Malaysian Statutory scales rates	571	150
Effect of Income Tax (exemption) (No.19) order 2005	(458)	(100)
(Over) / underprovision in previous year	(49)	66
Tax expense for the year	<u>          </u>	<u>          </u>
	64	116