

Registration No. 0354-10-WKL

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

**REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023**

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

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**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

GENERAL INFORMATION

COUNCIL MEMBERS

President	:	Dato' Raveendra Kumar Nathan
Vice President	:	Victor Saw Seng Kee
Secretary	:	Mohamed Raslan Abdul Rahman
Treasurer	:	Adrian Hong Boo Kiat
Other Council members	:	Lim San Peen
	:	Dato' Gan Ah Tee
	:	Datuk Stephen Duar Tuan Kiat
	:	Lee Shih
	:	Jimmy Ng Chwe Hwa
	:	Andrew Chiew Ean Vooi
	:	Rabindra Santhanasegira A/L R.S. Nathan
	:	Khoo Poh Poh
	:	Yoong Sin Min
	:	Alex Chiang Teng Guan
	:	Datuk Ng Seing Liong

PRINCIPAL PLACE OF OPERATION

Suite 8-12-4, Menara Mutiara Bangsar
Jalan Liku, Off Jalan Riong
59100 Kuala Lumpur

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Ground Floor (Lot G3)
Menara Raja Laut
No. 288, Jalan Raja Laut
50350 Kuala Lumpur

AUDITORS

Daniel & Co.
Chartered Accountants
Suite 8-17-3, 17th Floor
Menara Mutiara Bangsar
Jalan Liku, Off Jalan Riong
59100 Kuala Lumpur

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

REPORT OF THE COUNCIL MEMBERS

The Council submit their report and the audited financial statements of the Association for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

COUNCIL MEMBERS

The council members who served since the last report are:

President	:	Mohamed Raslan Abdul Rahman
Vice President	:	Dato' Raveendra Kumar Nathan
Secretary	:	Victor Saw Seng Kee
Treasurer	:	Adrian Hong Boo Kiat
Other council members	:	Lim San Peen
	:	Dato' Gan Ah Tee
	:	Datuk Stephen Duar Tuan Kiat
	:	Lee Shih
	:	Kumar Kanagasingam
	:	Rabindra Santhanasegira A/I R.S. Nathan
	:	Khoo Poh Poh
	:	Yoong Sin Min
	:	Alex Chiang Teng Guan
	:	Datuk Ng Seing Liong

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

REPORT OF THE COUNCIL MEMBERS (CONT'D)

COUNCIL MEMBERS (Cont'd)

The following were the newly elected council members for the period 2023/2024:

President	:	Dato' Raveendra Kumar Nathan
Vice President	:	Victor Saw Seng Kee
Secretary	:	Mohamed Raslan Abdul Rahman
Treasurer	:	Adrian Hong Boo Kiat
Other Council members	:	Lim San Peen
	:	Dato' Gan Ah Tee
	:	Datuk Stephen Duar Tuan Kiat
	:	Lee Shih
	:	Jimmy Ng Chwe Hwa
	:	Andrew Chiew Ean Vooi
	:	Rabindra Santhanasegira A/I R.S. Nathan
	:	Khoo Poh Poh
	:	Yoong Sin Min
	:	Alex Chiang Teng Guan
	:	Datuk Ng Seing Liong

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Association were prepared, the Council took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no known bad and doubtful debts; and
- (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Association had been written down to an amount which the current assets might be expected so to realise.

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

REPORT OF THE COUNCIL MEMBERS (CONT'D)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (Cont'd)

At the date of this report, the Council are not aware of any circumstances:

- (i) which would render it necessary to write off bad debts or to provide for doubtful debts; or
- (ii) which would render the values attributed to current assets in the financial statements of the Association misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Association misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Association misleading.

At the date of this report:

- (i) there are no charge on the assets of the Association which have arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) there are no contingent liability in the Association which have arisen since the end of the financial year.

No contingent or other liability of the Association has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Council, will or may affect the ability of the Association to meet its obligations when they fall due.

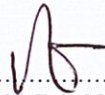
In the opinion of the Council, the results of the operations of the Association during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

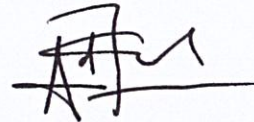
STATEMENT BY THE COUNCIL MEMBERS

We, **DATO' RAVEENDRA KUMAR NATHAN** and **ADRIAN HONG BOO KIAT** being the President and Treasurer of **INSOLVENCY PRACTITIONERS ASSOCIATION OF MALAYSIA** do hereby state on behalf of the Association that in the opinion of the council members, the financial statements set out on pages 10 to 17 are drawn up so as to give a true and fair view of the state of affairs of **INSOLVENCY PRACTITIONERS ASSOCIATION OF MALAYSIA** as at 31 December 2023 and of the income and expenditure account, changes in accumulated fund and cash flows of the Association for the financial year ended on that date in accordance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the rules and regulations of the Association.

On behalf of the Council Members



DATO' RAVEENDRA KUMAR NATHAN
PRESIDENT



ADRIAN HONG BOO KIAT
TREASURER

Kuala Lumpur
Dated: 28 FEB 2024

Before me,

Commissioner for Oaths



Suite 8-9-6, Menara Mutiara Bangsar,
Jalan Liku, Off Jalan Riong,
Bangsar, 59100 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Insolvency Practitioners Association of Malaysia** ("the Association"), which comprise the statement of financial position as at 31 December 2023, the income and expenditure account and statement of cash flows for the year ended on that date, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 17.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia.

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 Association 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA
(CONTINUED)**

Information Other than the Financial Statements and Auditors' Report Thereon

The Council members of the Association are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Association and our auditors' report thereon.

Our opinion on the financial statements of the Association does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Association, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Association or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the for the Financial Statements

The Council of the Association are responsible for the preparation of financial statements of the Association that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia. The Committee are also responsible for such internal control as the Council determine necessary to enable the preparation of financial statements of the Association that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA
(CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Association 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Association, 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 audit opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA
(CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the Council 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 Association'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 Association 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 auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Association, 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.

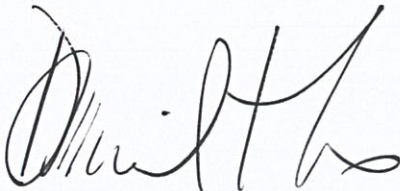
INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA
(CONTINUED)**

Other Matters

This report is made solely to the members of the Association, as a body, in accordance with Societies Act, 1966 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



DANIEL & CO
No. AF 001930
CHARTERED ACCOUNTANTS (M)



ISAAC DANIEL
No. 02787/01/2026 J
CHARTERED ACCOUNTANT

Kuala Lumpur
Dated: 28 February 2024

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

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

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
CURRENT ASSETS			
Receivables	3	11,805	1,700
Tax refundable		2,844	3,889
Fixed deposits with a licensed bank	4	327,240	321,660
Cash at bank		210,758	174,752
		552,647	502,001
CURRENT LIABILITIES			
Sundry payables and accrued liabilities	5	11,310	2,350
Taxation		154	19
		11,464	2,369
NET CURRENT ASSETS		541,183	499,632
		541,183	499,632
Represented by:-			
ACCUMULATED FUND		541,183	499,632

The accompanying notes are an
integral part of these financial statements

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<u>Note</u>	<u>2023</u> RM	<u>2022</u> RM
INCOME	6	97,541	38,350
Less: OPERATING EXPENSES	7	(61,436)	10,614
SURPLUS FROM OPERATIONS		36,105	48,964
OTHER INCOME	8	5,581	6,892
SURPLUS OF INCOME OVER EXPENDITURE BEFORE TAXATION		41,686	55,856
Less: TAXATION	9	(135)	(75)
SURPLUS OF INCOME OVER EXPENDITURE AFTER TAXATION		41,551	55,781

The accompanying notes are an
integral part of these financial statements

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

**STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Accumulated Fund RM
Balance as at 1 January 2022	443,851
Surplus for the year	55,781
Balance as at 31 January 2022	<u>499,632</u>
Surplus for the year	41,551
Balance as at 31 January 2023	<u><u>541,183</u></u>

The accompanying notes are an
integral part of these financial statements

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

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

	<u>2023</u> RM	<u>2022</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Subscription and admission fee	40,500	38,850
Seminar income	46,186	23,967
Advances - IPAM annual dinner 2024	8,510	-
Others	-	750
Interest income	5,581	6,892
Administrative fee	(11,000)	(12,000)
Membership fee	(7,834)	(12,796)
Meeting and other expenses	(22,574)	(16,990)
Seminar	(16,428)	-
Website maintenance	(2,400)	(2,400)
Cash generated from operations	40,541	26,273
Taxes refunded/(paid)	1,045	(169)
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,586	26,104
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	496,412	470,308
CASH AND CASH EQUIVALENTS AT END OF YEAR	537,998	496,412

Notes to the Cash Flow Statement

CASH AND CASH EQUIVALENTS COMPRISE:

Fixed deposits with a licensed bank	327,240	321,660
Cash at bank	210,758	174,752
	537,998	496,412

The accompanying notes are an
integral part of these financial statements

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. GENERAL INFORMATION

The Insolvency Practitioners Association of Malaysia ("Association") is an association registered with the Registrar of Societies in Malaysia. The Association is principally engaged in supporting and advancing the status and interest of the insolvency practice in Malaysia.

The registered office and principal place of business of the Association is located at 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the Association have been prepared under the historical cost convention and comply with applicable approved accounting standards in Malaysia.

(b) Receivables

Receivables are carried at anticipated realisable value.

Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the date of the statement of financial position.

(c) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(d) Income recognition

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

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at bank and deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(f) Significant Accounting Judgements and Estimates

In the process of preparing these financial statements:

- (i) there were no significant judgements made in applying the accounting policies of the Association which may have significant effect on the amounts recognised in the financial statements; and
- (ii) there were no significant estimation of uncertainty at the date of the statement of financial position, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3. RECEIVABLES

	<u>2023</u> RM	<u>2022</u> RM
Membership fee	3,100	1,700
Share of National Insolvency Conference income	8,705	-
	<u>11,805</u>	<u>1,700</u>

4. FIXED DEPOSITS WITH A LICENSED BANK

Fixed deposits represent placements with approved financial institution.

The weighted average interest rate during the financial year was 1.60% to 2.35% (2022: 1.60% to 2.35%) and the maturity period of these deposits are 1 to 12 months (2022: 1 to 12 months).

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

5. SUNDRY PAYABLES AND ACCRUED LIABILITIES

	<u>2023</u> RM	<u>2022</u> RM
Audit fee	1,800	1,600
Administrative fee	1,000	-
Advances - IPAM annual dinner 2024	8,510	-
Unknown deposits	-	750
	<u>11,310</u>	<u>2,350</u>

6. INCOME

	<u>2023</u> RM	<u>2022</u> RM
Admission fee	1,700	100
Subscription income less write-off dues from terminated members	40,950	38,250
Seminar income	54,891	-
	<u>97,541</u>	<u>38,350</u>

7. OPERATING EXPENSES

	<u>2023</u> RM	<u>2022</u> RM
Administrative fee	12,000	12,000
Audit fee	1,800	1,600
Bank charges	308	-
Membership fee		
– current year	7,834	6,811
– overprovision in previous year	-	(49,015)
Meeting expenses	14,161	13,500
Seminar	16,428	-
Website maintenance	2,400	2,400
Other overheads	6,505	2,090
	<u>61,436</u>	<u>(10,614)</u>

**INSOLVENCY PRACTITIONERS
ASSOCIATION OF MALAYSIA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

8. OTHER INCOME

	<u>2023</u> RM	<u>2022</u> RM
Interest on fixed deposit	<u>5,581</u>	<u>6,892</u>

9. TAXATION

	<u>2023</u> RM	<u>2022</u> RM
Based on results for the year	135	19
Under provision in previous year	<u>-</u>	<u>56</u>
	<u>135</u>	<u>75</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.

The provision for taxation on the interest and other income earned by the Association is based on the prevailing tax rates and is subject to the approval of the Inland Revenue Board.

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:

	<u>2023</u> RM	<u>2022</u> RM
Surplus before taxation	<u>41,686</u>	<u>55,856</u>
Taxation at Malaysian Statutory scales rates	4,169	2,561
Effect of Income Tax (exemption) (No.19) order 2005	(4,034)	(2,542)
Under provision in previous year	<u>-</u>	<u>56</u>
Tax expense for the year	<u>135</u>	<u>75</u>

10. COMPARATIVE FIGURES

The comparative figures were not audited by Daniel & Co.