



## **INTERNATIONAL RUBBER STUDY GROUP**

### **AUDITED FINANCIAL STATEMENTS**

*for the financial year ended 30 June 2022*



**Kreston ACA PAC**  
**(f.k.a. Kreston Ardent CAtrust PAC)**  
Chartered Accountants of Singapore  
(UEN 202000100D)  
120 Robinson Road #16-01  
Singapore 068913  
Tel : (65) 6356 9098 / (65) 6336 8772  
Web : [www.krestonaca.com.sg](http://www.krestonaca.com.sg)

## **INDEPENDENT AUDITOR'S REPORT TO THE HEADS OF DELEGATION OF INTERNATIONAL RUBBER STUDY GROUP**

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### **Report on the Audit of the Financial Statements**

#### *Qualified Opinion*

We have audited the financial statements of International Rubber Study Group (the "IRSG" and the "Organisation"), which comprise the statement of financial position as at 30 June 2022, the statement of income and expenditure, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements are properly drawn up in accordance with the provisions of the International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the financial position of IRSG as at 30 June 2022 and of the financial performance, changes in funds and cash flows of IRSG for the year ended on that date.

#### *Basis for Qualified Opinion*

##### *Revenue recognition*

IRSG receives membership fees in advance from its associate members. During the financial year ended 30 June 2022, associate membership fees received amounted to S\$445,200 (2021: S\$451,200). In preparing IRSG's financial statements, the Organisation's usual practice is, and has been in the previous financial years, to recognise revenue in full upon receipt. Only fees pertaining to memberships that are to commence or be renewed in future periods are recorded as contract liabilities. This constitutes a departure from the International Financial Reporting Standard 15 ("IFRS 15") - *Revenue from Contracts with Customers*. Had the Organisation accounted for membership fees in accordance with IFRS 15, revenue for the financial year ended 30 June 2022 would have been higher by approximately S\$3,233, contract liabilities as at 30 June 2022 would have been higher by approximately S\$223,833, receivables would have been higher by S\$333 and accumulated funds brought forward to 1 July 2021 would have been lower by S\$226,733.

Our audit opinion on the financial statements for the financial year ended 30 June 2021 was also modified for the same reason as above, except that revenue for the financial year ended 30 June 2021 would have been lower by approximately S\$86,300, contract liabilities as at 30 June 2021 would have been higher by approximately S\$226,733 and accumulated funds brought forward to 1 July 2020 would have been lower by approximately S\$139,433.



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*Basis for Qualified Opinion (Cont'd)*

In so far as to the qualified opinion made in the previous financial year, the matter referred to below was resolved during the financial year ended 30 June 2022 as follows:

*Contributions receivable from a member government*

Majority amount of the contributions due from a certain member government amounting to S\$109,525 was received up to the date of this report and an expected credit loss allowance has been made in respect of the remaining outstanding receivable as at 30 June 2022.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the IRSG in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

*Other Information*

The Heads of Delegation is responsible for the other information. The other information comprises the information included in the Statement by the Heads of Delegation included in page 3 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 this other information, we are required to report that fact. As described in the *Basis of Qualified Opinion* section above, our opinion is qualified in respect of the effects on the departure from IFRS 15. Accordingly, we have concluded that the other information is materially misstated with respect to this matter.

*Responsibilities of Heads of Delegation for the Financial Statements*

The Heads of Delegation are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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### *Responsibilities of Heads of Delegation for the Financial Statements (Cont'd)*

In preparing the financial statements, the Heads of Delegation are responsible for assessing the IRSG'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 management either intends to liquidate the IRSG or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Heads of Delegation include overseeing IRSG's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 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 opinion on the effectiveness of the IRSG's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 Organisation to cease to continue as a going concern.



**Kreston ACA PAC**  
**(f.k.a. Kreston Ardent CAturst PAC)**  
Chartered Accountants of Singapore  
(UEN 202000100D)

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*Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)*

- Evaluate the overall presentation, structure and content of the financial statements, 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 Heads of Delegation 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.

A handwritten signature in black ink that reads 'Kreston ACA PAC'.

**KRESTON ACA PAC**  
Public Accountants and  
Chartered Accountants

Singapore

Signed on: 21 September 2022

## INTERNATIONAL RUBBER STUDY GROUP

### STATEMENT OF INCOME AND EXPENDITURE

for the financial year ended 30 June 2022

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	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
<b><u>Income</u></b>			
Contributions from member governments	4	668,709	724,418
Publications and associate membership fee	4	497,700	503,100
Conference fee income	4	17,700	21,765
Other income	5	158,036	83,036
<b>Total income</b>		<u>1,342,145</u>	<u>1,332,319</u>
<b><u>Expenditure</u></b>			
Employee benefit expense	6	(1,041,996)	(1,117,048)
Rental expenses - low value leases		(2,580)	(983)
Data subscription and other related fees		(65,026)	(77,485)
Other expenses	7	(266,450)	(243,959)
<b>Total expenditure</b>		<u>(1,376,052)</u>	<u>(1,439,475)</u>
<b>Total deficit for the year, representing total comprehensive loss for the year</b>		<u>(33,907)</u>	<u>(107,156)</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# INTERNATIONAL RUBBER STUDY GROUP

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
<b><u>Assets</u></b>			
<b>Non-current assets</b>			
Right-of-use asset	8	<u>195,208</u>	<u>325,346</u>
<b>Current assets</b>			
Trade receivables	9	364,931	208,000
Other receivables, deposits and prepayments	10	50,607	91,045
Cash	11	<u>1,210,080</u>	<u>1,317,561</u>
Total current assets		<u>1,625,618</u>	<u>1,616,606</u>
<b>Total assets</b>		<u>1,820,826</u>	<u>1,941,952</u>
<b><u>Liabilities</u></b>			
<b>Non-current liabilities</b>			
Lease liabilities	12	<u>67,450</u>	<u>199,942</u>
<b>Current liabilities</b>			
Other payables and accruals	13	34,928	16,821
Contract liabilities	14	24,800	-
Leases liabilities	12	<u>132,492</u>	<u>130,126</u>
Total current liabilities		<u>192,220</u>	<u>146,947</u>
<b>Total liabilities</b>		<u>259,670</u>	<u>346,889</u>
<b>Net assets</b>		<u>1,561,156</u>	<u>1,595,063</u>
<b>Represented by:</b>			
<b>Funds</b>			
Accumulated funds		<u>1,561,156</u>	<u>1,595,063</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.