

Gurdwara Sahib Kajang

Financial statements for the year ended 31 December 2007

Principal place of activity
Allotment 5, Section 13,
Jalan Raja Hishamuddin (Jalan Sungei Chua)
43000, Kajang
Selangor Darul Ehsan

Gurdwara Sahib Kajang (GSK)

Statement by the Executive Committee

In the opinion of the Executive Committee, the financial statements set out on pages 3 to 9, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of GSK at 31 December 2007 and of its results and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Executive Committee:

.....
PRESIDENT

.....
HONORARY TREASURER

.....
HONORARY SECRETARY

Kajang,

Date: 10 February 2008

Report of the auditors to the members of Gurdwara Sahib Kajang (GSK)

We have audited the financial statements set out on pages 3 to 9. The preparation of the financial statements is the responsibility of the GSK's Executive Committee. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted the audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the executive committee as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion the financial statements are properly drawn up in accordance with the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of GSK at 31 December 2007 and its results and cash flows for the year ended on that date.

Dr Balbir Singh s/o Gurcharan Singh
(Honorary Auditor)

Dr Tarlock Singh s/o Harcharan Singh
(Honorary Auditor)

Kajang,

Date: 10 February 2008

Gurdwara Sahib Kajang (GSK)

Balance sheet at 31 December 2007

	Note	2007 RM	2006 RM
Property and equipment	4	866,978	849,844
Current assets			
Other receivables		3,000	3,000
Deposits		5,945	5,735
Cash and cash equivalents	5	54,451	59,344
		63,396	68,079
Current liabilities			
Other payables		1,558	1,558
Term loan (secured)	6	30	60,881
		1,588	62,439
Net current assets		61,808	5,640
		928,786	855,484
Financed by:-			
Surplus for the year carried forward		928,786	767,564
Term loan (secured)	6	-	87,920
		928,786	855,484

The financial statements were approved and authorised for issue by the Executive Committee on 10 February 2008.

The notes set out on pages 6 to 9 form an integral part of, and should be read in conjunction with, these financial statements.

Gurdwara Sahib Kajang (GSK)

Income Statement for the year ended 31 December 2007

	Note	2007 RM	2006 RM
Income			
Donation – GSK activities		113,427	98,808
Donation – Development activities		138,420	96,618
Punjabi Education Centre activities		11,737	5,956
Interest		755	883
		<u>264,339</u>	<u>202,265</u>
Expenditure			
Administration and general expenses		36,117	29,082
Allowances		33,403	35,155
Interest expense		7,542	16,780
Utilities		19,667	16,094
Depreciation	4	6,388	3,344
		<u>103,117</u>	<u>100,455</u>
Surplus for the year		<u>161,222</u>	<u>101,810</u>
Surplus brought forward		767,564	665,754
Surplus carried forward		<u><u>928,786</u></u>	<u><u>767,564</u></u>

The notes set out on pages 6 to 9 form an integral part of, and should be read in conjunction with, these financial statements.

Gurdwara Sahib Kajang (GSK)

Cash flow statement for the year ended 31 December 2007

	2007	2006
	RM	RM
Cash flows from operating activities		
Surplus of income over expenditure	161,222	101,810
Adjustments for:		
Depreciation	6,388	3,344
Interest paid	7,542	16,780
	<hr/>	<hr/>
Operating surplus before working capital changes	175,152	121,934
Changes in working capital		
Other debtors	(210)	(440)
Other payables	-	-
	<hr/>	<hr/>
Cash generated from operations	174,942	121,494
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of equipment	(23,522)	-
	<hr/>	<hr/>
Net cash used in investing activities	(23,522)	-
	<hr/>	<hr/>
Cash flows from financing activities		
Repayment of term loan	(148,771)	(85,801)
Interest paid	(7,542)	(16,780)
	<hr/>	<hr/>
Net cash used for financing activities	(156,313)	(102,581)
	<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents	(4,893)	18,913
Cash and cash equivalents at beginning of year	59,344	40,431
	<hr/>	<hr/>
Cash and cash equivalents at end of year	54,451	59,344
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The notes set out on pages 6 to 9 form an integral part of, and should be read in conjunction with, these financial statements.

Gurdwara Sahib Kajang (GSK)

Notes to the financial statements

1. General information

The Gurdwara Sahib Kajang (GSK) was registered on 17 August 1990 as a non-for-profit organisation.

The principal place of activities of GSK is located at Allotment 5, Section 13, Jalan Raja Hishamuddin (Jalan Sungei Chua), 43000, Kajang, Selangor Darul Ehsan.

The aims and objects of GSK remained unchanged during the year and consist of the following:

- To propegate the Sikh religion amongst non-Muslims;
- To organise religious and social functions;
- To create affection, concord and friendship amongst members of the Sikh Community and the general public;
- To protect the religious rights of members of the society and Sikhs in general;
- To develop and maintain the GSK and any other property used for the purpose of worship and fellowship;
- To co-operate and assist any other society or group with similar objectives;
- To own, develop and dispose immovable property as provided under rule 15 of the GSK's rules.

The financial statements are presented in Ringgit Malaysia

2. Basis of preparation

The financial statements of GSK have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies. The financial statements comply with applicable approved accounting standards in Malaysia

3. Summary of significant accounting policies

The following accounting policies are adopted by GSK.

(a) Property and equipment

Property and equipment are stated at cost less accumulated depreciation.

Property and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

Depreciation

Freehold land is not depreciated as it has an infinite life. The straight-line method is used to write off the cost of the following assets over the term of their residual values over their estimated useful lives at the following principal annual rates:

Buildings	10%
Equipment	20%
Furniture and fittings	20%

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, balances and deposits with banks which have an insignificant risk of changes in value, excluding fixed deposits.

(c) Other receivables and deposits

Other receivables and deposits are stated at cost less allowances for doubtful debts.

(d) Payables

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

(e) Impairment

The carrying amount of the GSK's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement. Any subsequent increase in recoverable amount is recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would

have determined, net of depreciation or amortisation, if no impairment loss has been recognised.

(f) Recognition of income

Subscription and other income derived are recognised in the income statement as it accrues.

Interest income is recognised on the effective yield basis.

4. Property and equipment

<i>Cost</i>	Freehold land RM	Building RM	Equipment RM	Furniture and fittings RM	Total RM
At 1 January 2007	843,000	-	9,780	6,940	859,720
Additions	-	16,607	6,915	-	23,522
At 31 December 2007	843,000	16,607	16,695	6,940	883,242
<i>Accumulated depreciation</i>					
At 1 January 2007	-	-	5,712	4,164	9,876
Charge for the year	-	1,661	3,339	1,388	6,388
At 31 December 2007		1,661	9,051	5,552	16,264
<i>Net book value</i>					
At 31 December 2007	843,000	14,946	7,644	1,388	866,978
At 31 December 2006	843,000	-	4,068	2,776	849,844
Depreciation charge for the year ended 31 December 2006		-	1,956	1,388	3,344

The freehold land has been pledged to a licensed bank to finance a term loan. (see Note 6). The loan was repaid in full subsequent to year end and the charged of the said land is in the process of being lifted.

The freehold land refers to the vacant land held under HS(D) 75209 P.T No. 51266, in the Town of Kajang, District of Ulu Langat, State of Selangor with area measuring approximately 3,490.008 square metres.

The existing buildings of the GSK which include the present Darbar Sahib and its auxiliary buildings were constructed in 1970 and the further enhancements were made between the years 1970 to 2002 including the building of the toilets and the fixing of air conditioners in the Darbar Sahib. The costs relating to these buildings and equipment incurred up to the year 2002 have not been capitalised above as the books of GSK were maintained on a cash basis until the year 2002 and such expenditure was charged out in the year it was incurred.

5. Cash and cash equivalents

	2007 RM	2006 RM
Cash and bank balances	33,701	38,594
Fixed deposits with licensed bank	20,750	20,750
	<u>54,451</u>	<u>59,344</u>
	=====	=====

The range of interest rates of deposits that was effective during the financial year was 3.0% to 3.8% (2006 – 3.0% to 3.8%) per annum. Bank balances are deposits held at call with banks.

6. Term loan (secured)

	2007 RM	2006 RM
Short term	30	60,881
Long term	-	87,920
	<u>30</u>	<u>148,801</u>
	=====	=====

Interest rate per annum on the floating rate term loan range from 7.5% to 8.5% (2006 – 7.7% to 8.5%) per annum.

The floating rate term loans is pegged to the licensed bank's base lending rates at cost of funds, and are subject to repricing where there are changes to the rates.

The term loan is secured by way of a legal charge over the freehold land. The loan was repaid in full subsequent to year end.