

GURDWARA SAHIB KAJANG

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2008**

GURDWARA SAHIB KAJANG

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GURDWARA SAHIB KAJANG

CORPORATE INFORMATION

COMMITTEE MEMBERS	<p>Nirmal Singh – Acting President Avtar Singh – Honorary Secretary Taram Singh – Honorary Treasurer Amarjit Singh – Honorary Assistant Secretary Beljit Singh – Honorary Assistant Treasurer Iqbal Singh Gurbachan Singh Ram Manmohan Singh Ranjit Singh Kajan Singh Sunder Singh Daljit Singh Gurcharan Singh</p>
Honorary Auditors	<p>Dr. Balbir Singh s/o Gurcharan Singh Dr. Tarlock Singh s/o Harcharan Singh</p>
Registered Place of Business	<p>Allotment 5, Section 13, Jalan Raja Hishamuddin (Jalan Sungei Chua) 43000, Kajang Selangor Darul Ehsan Tel No:</p>
Secretariat Office	<p>No. 21A, Level 1, Jalan Raja Haroun 43000 Kajang Selangor Darul Ehsan Tel/Fax No:</p>
Bankers	<p>EON Bank Berhad: Kajang Branch Malayan Banking Berhad: Kajang Branch</p>

GURDWARA SAHIB KAJANG

STATEMENT BY THE COMMITTEE MEMBERS

We, **NIRMAL SINGH S/O TERLOK SINGH** and **AVTAR SINGH S/O GURDIP SINGH** being two of the Committee Members of the **GURDWARA SAHIB KAJANG**, do hereby state, in the opinion of the Committee Members, the financial statements set out on pages 5 to 12, are drawn up so as give a true and fair view of the state of affairs of the Gurdwara as at 31 December 2008 and of the results of the operations, changes in total fund and cashflows of the Gurdwara for the financial year ended on that date in accordance with the applicable Accounting Standards in Malaysia.

Signed on behalf of the Committee Members of the Gurdwara in accordance with a resolution of the Committee Members:

.....
NIRMAL SINGH S/O TERLOK SINGH
Honorary Acting President

.....
AVTAR SINGH S/O GURDIP SINGH
Honorary Secretary

Kajang, Selangor Darul Ehsan
 11 March 2009

STATUTORY DECLARATION

I, **TARAM SINGH S/O MAGGA SINGH** I/C No. 390818-08-5335, the Committee Member primarily responsible for the financial management of the **GURDWARA SAHIB KAJANG**, do solemnly and sincerely declare that the financial statements set out on pages 5 to 12 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed)

TARAM SINGH S/O MAGGA SINGH)

I/C No: 390818-08-5335)

At Kajang, Selangor Darul Ehsan)

)

On 11 March 2009)

TARAM SINGH S/O MAGGA SINGH

Before me:

Commissioner for Oaths

HONORARY AUDITORS REPORT TO THE MEMBERS OF GURDWARA SAHIB KAJANG

Report on the Financial Statements

We have audited the accompanying financial statements of GURDWARA SAHIB KAJANG, which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 5 to 12.

Committee Members' Responsibility for the Financial Statements

The Committee Members of the Gurdwara are responsible for the preparation and fair presentation of these financial statements in accordance with applicable accounting standards; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Honorary Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Committee Members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable accounting standards in Malaysia so as to give a true and fair view of the financial position of the Gurdwara as at 31 December 2008, and of its financial performance and its cash flows for the year then ended.

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

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

Kajang

Date: 11 March 2009

GURDWARA SAHIB KAJANG (GSK)

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 RM	2007 RM
PROPERTY, PLANT AND EQUIPMENT	3	865,931	866,978
CURRENT ASSETS			
Other receivables		3,000	3,000
Deposits		5,945	5,945
Cash and cash equivalents	4	224,070	54,451
		233,015	63,396
CURRENT LIABILITIES			
Other payables		1,558	1,588
		1,558	1,588
NET CURRENT ASSETS		231,457	61,808
		1,097,388	928,786
REPRESENTED BY:-			
ACCUMULATED FUND		1,097,388	928,786

The above balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 8 to 12.

GURDWARA SAHIB KAJANG

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Income			
Donation – Gurdwara activities		130,683	113,427
Donation – Development activities		126,325	138,420
Punjabi Education Centre activities		10,483	11,737
Interest		3,354	755
		270,845	264,339
Expenditure			
Administration and general expenses		48,347	36,117
Allowances		25,740	33,403
Interest expense		-	7,542
Utilities		20,500	19,667
Depreciation	3	7,656	6,388
		102,243	103,117
Surplus for the year		168,602	161,222

**STATEMENT OF CHANGES IN TOTAL FUND FOR THE YEAR ENDED
31 DECEMBER 2008**

	Accumulated Fund	
	2008 RM	2007 RM
Balance at 1 January	928,786	767,564
Surplus for the year	168,602	161,222
Balance at 31 December	1,097,388	928,786

The above income statement and statement of changes in total funds are to be read in conjunction with the notes to the financial statements set out on pages 8 to 12.

GURDWARA SAHIB KAJANG

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus of income over expenditure	168,602	161,222
Adjustments for:		
Depreciation	7,656	6,388
Interest paid	-	7,542
	176,258	175,152
Changes in working capital		
Other debtors	-	(210)
Other payables	(30)	-
	176,228	174,942
	176,228	174,942
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(6,609)	(23,522)
	(6,609)	(23,522)
	(6,609)	(23,522)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	-	(148,771)
Interest paid	-	(7,542)
	-	(156,313)
	-	(156,313)
Net increase/(decrease)in cash and cash equivalents	169,619	(4,893)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	54,451	59,344
	224,070	54,451
CASH AND CASH EQUIVALENTS CARRIED FORWARD	224,070	54,451

The above cash flow statement is to be read in conjunction with the notes to the financial statements set out on pages 8 to 12.

GURDWARA SAHIB KAJANG

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The aims and objects of Gurdwara Sahib Kajang remained unchanged during the year and consist of the following:

- To propagate 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 Gurdwara 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 Gurdwara's rules.

The Gurdwara was registered on 17 August 1990 as a non-for-profit organisation.

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

The financial statements are presented in Ringgit Malaysia.

The financial statements were authorised for issue by the Committee Members of the Gurdwara in accordance with a resolution of the Committee Members dated 11 March 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

(b) Property, plant and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

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%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statement.

(c) Cash and cash equivalents

Cash comprises cash at bank and in hand including deposits which are not pledged. Cash equivalents comprised investments maturing within 3 months from the date of acquisition and which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

(d) Other receivables and deposits

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) 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.

(f) Impairment

The carrying amount of the Gurdwara'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 on a cash basis.

Interest income is recognised on the effective yield basis.

3. PROPERTY, PLANT AND EQUIPMENT

<i>Cost</i>	Freehold land RM	Building RM	Equipment RM	Furniture and fittings RM	Total RM
At 1 January 2008	843,000	16,607	16,695	6,940	883,242
Additions	-	500	1,629	4,480	6,609
At 31 December 2008	843,000	17,107	18,324	11,420	889,851
<i>Accumulated depreciation</i>					
At 1 January 2008	-	1,661	9,051	5,552	16,264
Charge for the year	-	1,711	3,663	2,282	7,656
At 31 December 2008		3,372	12,714	7,834	23,920
<i>Net book value</i>					
At 31 December 2008	843,000	13,735	5,610	3,586	865,931
At 31 December 2007	843,000	14,946	7,644	1,388	866,978
Depreciation charge for the year ended 31 December 2007		1,661	3,339	1,388	6,388

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 Gurdwara 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 Gurdwara were maintained on a cash basis until the year 2002 and such expenditure was charged out in the year it was incurred.

4. CASH AND CASH EQUIVALENTS

	2008	2007
	RM	RM
Cash and bank balances	34,014	33,701
Fixed deposits with licensed bank	190,056	20,750
	<u>224,070</u>	<u>54,451</u>
	<u>=====</u>	<u>=====</u>

The range of interest rates of deposits that was effective during the financial year was 3.0% to 3.8% (2007 – 3.0% to 3.8%) per annum. Bank balances are deposits held at call with banks.