

WORLD ASSEMBLY OF YOUTH

FINANCIAL STATEMENTS

31 DECEMBER 2011

WORLD ASSEMBLY OF YOUTH

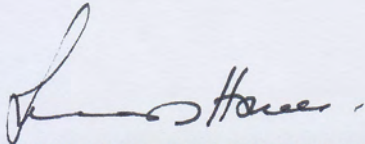
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WORLD ASSEMBLY OF YOUTH

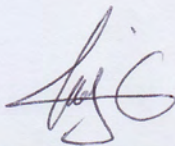
STATEMENT BY THE COMMITTEE

We, **DATUK IR. HAJI IDRIS BIN HAJI HARON** and **EDIOLA PASHOLLARI**, being the President and Secretary General, respectively, of the WORLD ASSEMBLY OF YOUTH, do hereby state that, in the opinion of the Committee, the financial statements set out on pages 4 to 12 are properly drawn up in accordance with Private Entity Reporting Standards and Article of Organisation Charter so as to give a true and fair view of the state of affairs of the Association as at 31 December 2011 and of its results for the year then ended.

Signed on behalf of the Committee,



DATUK IR. HAJI IDRIS BIN HAJI HARON
President



EDIOLA PASHOLLARI
Secretary General

Melaka, Malaysia

Dated: 30 MAR 2012



**KHAIRUDDIN
HASYUDEEN
& RAZI**

Chartered Accountants
(AF 1161)

**REPORT OF THE AUDITORS
TO THE MEMBERS OF WORLD ASSEMBLY OF YOUTH**

Report on the Financial Statements

We have audited the financial statements set of World Assembly of Youth, which comprise the balance sheet as at 31 December 2011, and the income statement and cash flow for the statement ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 12.

Executive Committees' Responsibility for the Financial Statements

Executive Committee are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and Article of Organisation Charter, and for such internal control as the Committee determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit entity's preparation of financial statements that give a true and fair view 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 the directors, 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 audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and Article of Organisation Charter so as to give a true and fair view of the financial position of the Association as of 31 December 2011 and of its financial performance and cash flows for the year then ended.



**KHAIRUDDIN
HASYUDEEN
& RAZI**

Chartered Accountants
(AF 1161)

**REPORT OF THE AUDITORS
TO THE MEMBERS OF WORLD ASSEMBLY OF YOUTH**

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Article of Organisation Charter, we also report that in our opinion the accounting and other records and the registers required by the Article to be kept by the Association have been properly kept in accordance with the provisions of the Article.

Other Matters

This report is made solely to the Members of Association, as body, in accordance with Article of Organisation Charter and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Khairuddin Hasyudeen & Razi
AF 1161
Chartered Accountants

Mohd Arif Bin Yusa, CPA (Aust.), C.A (M)
1897/04/12(J)
Partner of the Firm

Melaka, Malaysia

Dated: 30 MAR 2012

WORLD ASSEMBLY OF YOUTH

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTE	2011 RM	2010 RM
PROPERTY, PLANT AND EQUIPMENT	5	52,554	56,562
CURRENT ASSETS			
Cash and bank balances	6	-	39,321
CURRENT LIABILITIES			
Bank overdraft	6	8,577	-
Sundry creditors and accruals		<u>1,900</u>	<u>1,900</u>
		<u>10,477</u>	<u>1,900</u>
NET CURRENT LIABILITIES		(10,477)	37,421
		<u>42,077</u>	<u>93,983</u>
FINANCED BY:			
Accumulated fund	7	<u>42,077</u>	<u>93,983</u>
		<u>42,077</u>	<u>93,983</u>

The accompanying notes form an integral part of the financial statements.

WORLD ASSEMBLY OF YOUTH

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 RM	2010 RM
INCOME:		
Corporate donations	303,500	193,500
Membership fees	5,167	62,617
Conference fees	33,332	100,495
Government funding	100,000	270,000
Management fees	6,000	6,000
	<u>447,999</u>	<u>632,612</u>
OTHER INCOME:		
Insurance reimbursement	473	860
	<u>473</u>	<u>860</u>
EXPENDITURE:		
Account fees	700	700
Air ticket	4,100	-
Audit fees	1,200	1,200
Bank charges	60	85
Depreciations	26,907	28,373
Fuel, tolls and parking	12,360	12,443
Insurance	6,436	4,866
Maintenance-motor vehicles	8,497	14,388
Maintenance-office equipment	6,865	9,017
Office expenses	2,856	5,508
Periodical and subscriptions	1,389	1,364
Postage and stamps	779	279
Printing and stationery	3,229	5,568
Rental	9,500	3,250
Restated of maintenance - motor vehicles	(22,500)	-
Salaries and wages	175,213	125,007
Staff claims	22,383	32,062
Travel allowances	27,019	10,923
Utilities	17,063	18,482
WAY conference and meeting	196,322	356,184
	<u>500,378</u>	<u>629,699</u>
NET SURPLUS/(DEFICIT)	<u>(51,906)</u>	<u>3,773</u>

WORLD ASSEMBLY OF YOUTH

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011	2010
		RM	RM
INFLOW:			
Bank b/f		39,321	8,908
Conference fees		33,332	100,495
Corporate donations		303,500	193,500
Government funds		100,000	270,000
Membership fees		5,167	62,617
Management fees		6,000	6,000
Other income- insurance reimburstment		473	860
		<u>487,793</u>	<u>642,380</u>
OUTFLOW:			
Account fees		700	700
Air tickets		4,100	-
Audit fees		1,200	1,200
Bank charges		60	85
Fuel, tolls and parking		12,360	12,443
Insurances		6,436	4,866
Maintenance-motor vehicles		8,497	14,388
Office expenses		2,856	5,508
Maintenance-office equipment		6,865	9,017
Periodical and subscriptions		1,389	1,364
Postage and stamps		779	279
Printing and stationery		3,229	5,568
Purchase of assets		399	1,733
Rental		9,500	3,250
Salaries and wages		175,213	125,007
Staff claims		22,383	32,062
Travel allowances		27,019	10,923
Utilities		17,063	18,482
WAY conference and meeting		196,322	356,184
		<u>496,370</u>	<u>603,059</u>
BANK BALANCES FOR THE YEAR		<u>(8,577)</u>	<u>39,321</u>

1. PRINCIPAL OBJECTIVES

The Association is established under the International Coordinating Body of National Youth Council and Organisations. The principal objectives of the Organisation under the Articles are:

- a) Increase inter-ethnic respect and to foster inter-cultural and international understanding and co-operations.
- b) Facilitate the collection of information about the needs and problem of youth.
- c) Disseminate information about the methods, techniques and activities of youth organisations.
- d) Promote the interchanges of ideas between youth of all countries.
- e) Assist in the development of youth work activities and to promote, by mutual aid, the extension of the work of the voluntary youth organisations.
- f) Co-operate in the development of national youth organisations.
- g) Promote the democratic participation of young people both in their own organisation and in the work of the voluntary youth.
- h) Establish and maintain relations with the international organisations, both voluntary and governmental.
- i) Support and encourage the national movements of non self governing countries in their struggle for national liberations.
- j) Promote tolerance, understanding, solidarity and co-operation among young men and women irrespective of race, sex, language, religion or political orientations.
- k) Encourage the full participation of young men and women in the development process of their countries.
- l) Act as representative body of national youth councils to other appropriate governmental and non-governmental international bodies.

2. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Committee on 30 March 2012.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Association has no formal risk management structure with respect to its financial assets. Risks are handled on case to case basis by the directors as and when issues arise.

The main areas of financial risks faced by the Association and in respect of the major areas of treasury activity are set out as follows:

(a) Foreign currency risk

The Association does not have material foreign currency transactions, assets or liabilities and hence are not exposed to any significant or material currency risks.

(b) Interest rate risk

The Association does not have any borrowings or cash deposits and hence is not exposed to interest rate risks.

(c) **Market risk**

The Association does not have any quoted investments and hence is not exposed to market risks.

(d) **Credit risk**

The Association's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from cash deposits. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Association does not have any major concentration of credit risk related to any individual customer or counterparty.

The Association manages its exposure to credit risk by investing its cash assets safely and profitably, and by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(e) **Liquidity and cash flow risks**

The Association's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practices prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) **Income recognition**

Membership subscription is payable annually at the beginning of the financial year. Only subscription which is received to the current financial year is recognised as income. Other income is from corporate donations and government funds.

(b) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. The policy for recognition and measurement of impairment losses is in accordance with Note 4 (g).

Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following rates:

<u>Property, plant and equipment</u>	<u>Rate</u>
Air conditioner	10%
Computer	20%
Furniture and Fitting	10%
Kitchen Equipment	10%
Motor Vehicles	20%
OfficeEquipment	10%

Where an indication of impairment exists, the carrying amount of the property, plant & equipment is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statement or revenue account.

(c) **Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank.

(d) **Liabilities**

Trade and other payables are stated at cost.

(e) **Income taxes**

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided for under the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that is not a business combination and that at the time of the transaction affects neither accounting nor taxable profits. The amount of deferred tax provided is based on the expected manner or realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(f) **Financial instruments**

(i) **Description**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instrument with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is a liability that is contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) **Financial instruments recognized on the balance sheet**

The particular recognition method adopted for financial instruments recognized on the balance sheet is disclosed in the individual policy statements associated with each item.

(g) **Impairment of assets**

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

5. PROPERTY, PLANT AND EQUIPMENT

	COST			
	Balance at 01.01.2011	Additions	Disposals	Balance at 31.12.2011
	RM	RM	RM	RM
Air conditioner	29,500	-	-	29,500
Computer	12,733	-	-	12,733
Furniture and Fitting	70,810	-	-	70,810
Kitchen Equipment	500	-	-	500
Motor Vehicles	85,000	22,500	-	107,500
Office Equipment	8,469	399	-	8,868
	<u>207,012</u>	<u>22,899</u>	<u>-</u>	<u>229,911</u>

	ACCUMULATED DEPRECIATION			
	Balance at 01.01.2011	Additions	Disposals	Balance at 31.12.2011
	RM	RM	RM	RM
Air conditioner	17,400	2,950	-	20,350
Computer	11,345	347	-	11,692
Furniture and Fitting	42,426	7,081	-	49,507
Kitchen Equipment	300	50	-	350
Motor Vehicles	74,000	15,499	-	89,499
Office Equipment	4,979	980	-	5,959
	<u>150,450</u>	<u>26,907</u>	<u>-</u>	<u>177,357</u>

	CARRYING VALUE		Depreciation
	2011	2010	2010
	RM	RM	RM
Air conditioner	9,150	12,100	2,950
Computer	1,041	1,388	446
Furniture and Fitting	21,303	28,384	7,081
Kitchen Equipment	150	200	50
Motor Vehicles	18,001	11,000	17,000
Office Equipment	2,909	3,490	846.9
	<u>52,554</u>	<u>56,562</u>	<u>28,374</u>

WORLD ASSEMBLY OF YOUTH

NOTES TO THE FINANCIAL STATEMENT-31 DECEMBER 2011

6. CASH AND CASH EQUIVALENT

	2011	2010
	RM	RM
Cash at bank	-	39,321
Bank overdraft	(8,577)	-
	<u>(8,577)</u>	<u>39,321</u>

Bank overdraft (without guarantee) is current account's deficit balance from bank reconciliation as at 31 December 2011.

7. ACCUMULATED FUND

	2011	2010
	RM	RM
Opening balance brought forward	93,983	90,210
Surplus/(Deficit) for the period	(51,906)	3,773
Closing balance carried forward	<u>42,077</u>	<u>93,983</u>

8. FAIR VALUE

The carrying values of financial assets and financial liabilities of the Company at the balance sheet date approximate their fair values due to the relatively short term maturity of these financial instruments.