

WORLD ASSEMBLY OF YOUTH

FINANCIAL STATEMENTS

31 DECEMBER 2009

WORLD ASSEMBLY OF YOUTH

Content	Pages
STATEMENT BY THE COMMITTEE	1
REPORT OF THE AUDITORS	2-3
BALANCE SHEET	4
INCOME STATEMENT	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7-11

WORLD ASSEMBLY OF YOUTH

STATEMENT BY THE COMMITTEE

We, **DATUK SERI HAJI MOHD ALI BIN MOHD RUSTAM** and **EDIOLA PASHOLLARI**, being the President and Acting 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 11 are properly drawn up to give a true and fair view of the state of affairs of the Association as at 31 December 2009 and of its results for the year then ended.

Signed on behalf of the Committee,



DATUK SERI HAJI MOHD ALI BIN MOHD RUSTAM
President



EDIOLA PASHOLLARI
Acting Secretary General

Melaka, Malaysia

Dated: 02 JUN 2010



**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 2009, 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 11.

Executive Committees' Responsibility for the Financial Statements

Executive Committee are responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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.

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 accounting standard 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 2009 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**

Other Matters

This report is made solely to the Members of Organisation, 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: 02 JUN 2010

WORLD ASSEMBLY OF YOUTH

BALANCE SHEET AS AT 31 DECEMBER 2009

	NOTE	2009 RM	2008 RM
PROPERTY, PLANT AND EQUIPMENT	5	83,202	79,036
CURRENT ASSETS			
Cash and bank balances		8,908	-
CURRENT LIABILITIES			
Sundry creditors and accruals		1,900	6,700
Bank overdraft		-	55,014
		<u>1,900</u>	<u>61,714</u>
NET CURRENT LIABILITIES		7,008	(61,714)
		<u>90,210</u>	<u>17,322</u>
FINANCED BY:			
Accumulated fund	6	90,210	17,322
		<u>90,210</u>	<u>17,322</u>

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

WORLD ASSEMBLY OF YOUTH

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 RM	2008 RM
INCOME:			
Prior year bank reconciliation	7	92,000	-
Corporate donations		240,300	125,700
Membership fees		-	3,367
Conference fees		40,696	21,196
Government funding		100,000	100,450
		<u>472,996</u>	<u>250,713</u>
OTHER INCOME:			
Insurance reimbursement		520	-
		<u>520</u>	<u>-</u>
EXPENDITURE:			
Account fees		700	400
Advertisement		-	3,000
Air tickets		6,674	7,506
Audit fees		1,200	1,200
Bank charges		83	103
Conference and Meeting (MIYD)		114,731	85,520
Conference and Meeting (60th Anniversary)		50,755	
Depreciations		26,103	24,101
Fuel, tolls and parking		8,947	11,443
Insurance		4,679	-
Maintenance-motor vehicles		21,798	11,952
Maintenance-office equipment		4,185	4,669
Office expenses		4,755	-
Penalty		73	-
Periodical and subscriptions		1,182	1,363
Postage and stamps		192	2,679
Printing and stationery		2,122	5,737
Rental		4,440	3,960
Salaries and wages		101,283	98,698
Staff claims		18,892	26,880
Travel allowances		12,454	8,098
Utilities		15,381	22,999
Visitors and refreshment		-	1,115
		<u>400,629</u>	<u>321,423</u>
NET SURPLUS/(DEFICIT)		<u><u>72,887</u></u>	<u><u>(70,710)</u></u>

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

WORLD ASSEMBLY OF YOUTH

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 RM	2008 RM
INFLOW:			
Bank overdraft b/f		(55,014)	(10,005)
Prior year bank reconciliation	7	92,000	-
Conference fees		40,696	21,196
Corporate donations		240,300	125,700
Government funds		100,000	100,450
Membership fees		-	3,367
Other income - insurance reimburstment		520	-
		<u>418,502</u>	<u>240,708</u>
OUTFLOW:			
Account fees		1,900	-
Air tickets		6,674	7,506
Advertisement		-	3,000
Audit fees		4,800	-
Bank charges		83	103
Conference and Meeting (MIYD)		114,731	85,520
Conference and Meeting (60th Anniversary)		50,755	-
Fuel, tolls and parking		8,947	11,443
Insurances		4,679	-
Maintenance-motor vehicles		21,798	11,952
Office expenses		4,755	-
Maintenance-office equipment		4,185	4,669
Penalty		73	-
Periodical and subscriptions		1,182	1,363
Postage and stamps		192	2,679
Printing and stationery		2,122	5,737
Purchase of assets		30,269	-
Rental		4,440	3,960
Salaries and wages		101,283	98,699
Staff claims		18,892	26,880
Travel allowances		12,454	8,097
Utilities		15,381	22,999
Visitors and refreshment		-	1,115
		<u>409,594</u>	<u>295,722</u>
BANK BALANCES FOR THE YEAR		<u>8,908</u>	<u>(55,014)</u>

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

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 2 June 2010

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) **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

NOTES TO THE FINANCIAL STATEMENT-31 DECEMBER 2009

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 31.12.2009 RM
	Balance at 01.01.2009 RM	Additions RM	Disposals RM	
Air conditioner	29,500	-	-	29,500
Computer	11,000	-	-	11,000
Furniture and Fitting	70,810	-	-	70,810
Kitchen Equipment	500	-	-	500
Motor Vehicles	55,000	30,000	-	85,000
Office Equipment	8,200	269	-	8,469
	<u>175,010</u>	<u>30,269</u>	<u>-</u>	<u>205,279</u>

	ACCUMULATED DEPRECIATION			Balance at 31.12.2009 RM
	Balance at 01.01.2009 RM	Additions RM	Disposals RM	
Air conditioner	11,500	2,950	-	14,450
Computer	8,700	2,200	-	10,900
Furniture and Fitting	28,264	7,081	-	35,345
Kitchen Equipment	200	50	-	250
Motor Vehicles	44,000	13,000	-	57,000
Office Equipment	3,310	822	-	4,132
	<u>95,974</u>	<u>26,103</u>	<u>-</u>	<u>122,077</u>

	CARRYING VALUE		Depreciation
	2009	2008	2008
	RM	RM	RM
Air conditioner	15,050	17,700	2,950
Computer	100	2,600	2,200
Furniture and Fitting	35,465	42,546	7,081
Kitchen Equipment	250	300	50
Motor Vehicles	28,000	11,000	11,000
Office Equipment	4,337	4,890	820
	<u>83,202</u>	<u>79,036</u>	<u>24,101</u>

6. ACCUMULATED FUND

	2009	2008
	RM	RM
Opening balance brought forward	17,322	88,032
Surplus/(Deficit) for the period	72,888	(70,710)
Closing balance carried forward	<u>90,210</u>	<u>17,322</u>

7. PRIOR YEAR BANK RECONCILIATION

This is due to last year bank balance which is not the bank overdraft and it is referring to unrepresented cheque to the bank account.

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.