

WORLD ASSEMBLY OF YOUTH

FINANCIAL STATEMENTS

31 DECEMBER 2012

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 2012 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: 10 MAY 2013



**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 2012, 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 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 2012 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)
1897/04/14(J)
Partner of the Firm

Melaka, Malaysia

Dated: 10 MAY 2013

WORLD ASSEMBLY OF YOUTH**BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 RM	2011 RM
PROPERTY, PLANT AND EQUIPMENT	5	36,739	52,554
CURRENT ASSETS			
Cash and bank balances	6	5,396	-
CURRENT LIABILITIES			
Bank overdraft	6	-	8,577
Sundry creditors and accruals		131,702	1,900
		<u>131,702</u>	<u>10,477</u>
NET CURRENT ASSET/(LIABILITIES)		(126,306)	(10,477)
		<u>(89,567)</u>	<u>42,077</u>
FINANCED BY:			
Accumulated fund	7	(89,567)	42,077
		<u>(89,567)</u>	<u>42,077</u>

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

WORLD ASSEMBLY OF YOUTH

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 RM	2011 RM
INCOME:		
Conference fees	45,145	33,332
Corporate donations	-	303,500
Government funding	165,000	100,000
Management fees	-	6,000
Membership fees	5,052	5,167
	<u>215,197</u>	<u>447,999</u>
OTHER INCOME:		
Insurance reimbursement	1,568	473
Interest received	5	-
	<u>1,573</u>	<u>473</u>
EXPENDITURE:		
Accounting fees	700	700
Air ticket	8,150	4,100
Audit fees	1,200	1,200
Bank charges	73	60
Depreciations	15,815	26,907
Fuel, tolls and parking	10,096	12,360
Insurance	4,739	6,436
Maintenance-motor vehicles	12,050	8,497
Maintenance-office equipment	3,261	6,865
Office expenses	2,555	2,856
Periodical and subscriptions	1,257	1,389
Postage and stamps	294	779
Printing and stationery	2,776	3,229
Rental	7,200	9,500
Restated of maintenance - motor vehicles	-	(22,500)
Salaries and wages	170,109	175,213
Staff claims	23,488	22,383
Travel allowances	14,624	27,019
Utilities	13,897	17,063
WAY conference and meeting	56,130	196,322
	<u>348,414</u>	<u>500,378</u>
NET (DEFICIT)	<u>(131,644)</u>	<u>(51,906)</u>

WORLD ASSEMBLY OF YOUTH

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	RM	RM
INFLOW:		
Bank b/f	(8,577)	39,321
Conference fees	45,145	33,332
Corporate donations	-	303,500
Government funds	165,000	100,000
Advance	129,802	-
Management fees	-	6,000
Membership fees	5,052	5,167
Other income- Insurance reimbursment	1,568	473
Other income- Interest received	5	-
	<u>337,995</u>	<u>487,793</u>
OUTFLOW:		
Account fees	700	700
Air tickets	8,150	4,100
Audit fees	1,200	1,200
Bank charges	73	60
Fuel, tolls and parking	10,096	12,360
Insurances	4,739	6,436
Maintenance-motor vehicles	12,050	8,497
Maintenance-office equipment	3,261	6,865
Office expenses	2,555	2,856
Periodical and subscriptions	1,257	1,389
Postage and stamps	294	779
Printing and stationery	2,776	3,229
Purchase of office equipment	-	399
Rental	7,200	9,500
Salaries and wages	170,109	175,213
Staff claims	23,488	22,383
Travel allowances	14,624	27,019
Utilities	13,897	17,063
WAY conference and meeting	56,130	196,322
	<u>332,599</u>	<u>496,370</u>
BANK BALANCES FOR THE YEAR	<u>5,396</u>	<u>(8,577)</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 10 May 2013.

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%
Office Equipment	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 01.01.2012	Additions	Disposals	Balance at 31.12.2012
	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	107,500	-	-	107,500
Office Equipment	8,868	-	-	8,868
	<u>229,911</u>	<u>-</u>	<u>-</u>	<u>229,911</u>

	ACCUMULATED DEPRECIATION			
	Balance at 01.01.2012	Additions	Disposals	Balance at 31.12.2012
	RM	RM	RM	RM
Air conditioner	20,350	2,950	-	23,300
Computer	11,692	347	-	12,039
Furniture and Fitting	49,507	7,081	-	56,588
Kitchen Equipment	350	50	-	400
Motor Vehicles	89,499	4,500	-	93,999
Office Equipment	5,959	887	-	6,846
	<u>177,357</u>	<u>15,815</u>	<u>-</u>	<u>193,172</u>

	CARRYING VALUE		Depreciation
	2012	2011	2011
	RM	RM	RM
Air conditioner	6,200	9,150	2,950
Computer	694	1,041	347
Furniture and Fitting	14,222	21,303	7,081
Kitchen Equipment	100	150	50
Motor Vehicles	13,501	18,001	15,499
Office Equipment	2,022	2,909	980
	<u>36,739</u>	<u>52,554</u>	<u>26,907</u>

6. CASH AND CASH EQUIVALENT

	2012 RM	2011 RM
Cash at bank	5,396	-
Bank overdraft	-	8,577
	<u>5,396</u>	<u>8,577</u>

7. ACCUMULATED FUND

	2012 RM	2011 RM
Opening balance brought forward	42,077	93,983
Surplus/(Deficit) for the period	<u>(131,644)</u>	<u>(51,906)</u>
Closing balance carried forward	<u>(89,567)</u>	<u>42,077</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.