

Gurdwara Sahib Yishun
(UEN No.: S95SS0142D)

**Annual Report for the financial year ended
31 December 2015**

Gurdwara Sahib Yishun
(UEN No.: S95SS0142D)

Statutory Report and Financial Statements

Contents	Pages
Statement by the Management Committee	1
Independent Auditor's Report	2 - 3
Balance Sheet	4
Income and Expenditure Statement	5
Statement of Changes in Accumulated Fund	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 14


In the opinion of the management committee,

- (a) the financial statements as set out on pages 4 to 14 are drawn up so as to give a true and fair view of the state of affairs of the Gurdwara Sahib Yishun (the "Temple") as at 31 December 2015 and of the income and expenditure, changes in accumulated fund, and cash flows of the Temple for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Temple will be able to pay its debts as and when they fall due.

On behalf of the Management Committee,



.....
Mr. Dalwinder Singh
President



.....
Mr. Jagdev Singh Grewal
Secretary



.....
Mr. Gurmit Singh Manuke
Treasurer

Singapore

11 April 2016

**Independent Auditor's Report to the Members of
Gurdwara Sahib Yishun**

Report on the Financial Statements

We have audited the financial statements of Gurdwara Sahib Yishun, which comprise the balance sheet as at 31 December 2015, the income and expenditure statement, statement of changes in accumulated fund and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committees' Responsibility for the Financial Statements

The Temple Management Committee is responsible for the preparation of these financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Cap. 311) (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheet and to maintain accountability of assets.

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 Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 of the 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 management, as well as evaluating the overall presentation of financial statements.

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

**Independent Auditor's Report to the Members of
Gurdwara Sahib Yishun
(Cont'd)**

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards and give a true and fair view of the state of affairs of the Temple as at 31 December 2015, and the results, changes in accumulated fund and cash flows of the Temple for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Societies Act to be kept by the Temple have been properly kept in accordance with the provisions of the Societies Act.



B.S.Mangat & Company
Public Accountants and Chartered Accountants
UEN-S87PF0017J

Singapore

11 April 2016

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	1,045,842	981,547
Other receivables	4	26,350	9,383
		<u>1,072,192</u>	<u>990,930</u>
Non-current assets			
Property, plant and equipment	5	788,813	909,441
Total assets		<u>1,861,005</u>	<u>1,900,371</u>
LIABILITIES			
Current payables			
Other payables	6	417	8,866
Total liabilities		<u>417</u>	<u>8,866</u>
REPRESENTED BY			
Accumulated fund		1,860,588	1,891,505
Total liabilities and accumulated fund		<u>1,861,005</u>	<u>1,900,371</u>

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

	Note	2015 \$	2014 \$
Income			
- Building fund		31,525	15,581
- Donations received		66,780	58,671
- Electricity/Gas/Water		15,710	16,673
- Golak		85,006	92,053
- Isteri Sat Sang		838	771
- Library		307	161
- Laundry		1,021	900
- Punjabi School		574	1,134
- Provisions/Groceries (langgar)		85,312	77,430
- Sikh Welfare Council		1,690	1,314
- Subscriptions		1,048	274
- Interest income		13,382	7,949
- Others		275	31
		303,468	272,942
Expenditure			
- Bank charges		104	30
- Cleaning expenses		9,330	5,254
- Depreciation on property, plant and equipment	5	120,628	120,884
- Donations		26,803	11,547
- Insurance		3,073	3,134
- Laundry charge		2,121	1,754
- Medical fees		439	741
- Miscellaneous expenses		3,122	3,039
- Postage and courier		1,077	1,011
- Printing and stationery		757	1,553
- Professional fee		4,066	-
- Provisions/Groceries (langgar)		77,075	73,444
- Repair and maintenance		15,619	9,237
- Road show event cost		240	-
- Salaries and wages		34,124	27,648
- Security bonds and license fees		518	1,946
- Telecommunication		442	428
- Travelling expense		600	-
- Utilities		34,247	39,971
		334,385	301,621
Deficit of income over expenditure		(30,917)	(28,679)
Income tax expense	7	-	-
Deficit for the financial year		(30,917)	(28,679)

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

	Accumulated Fund \$
2015	
Beginning of financial year	1,891,505
Total deficit for the year	(30,917)
End of financial year	<u>1,860,588</u>
2014	
Beginning of financial year	1,920,184
Total deficit for the year	(28,679)
End of financial year	<u>1,891,505</u>

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

	Note	2015 \$	2014 \$
Cash flow from operating activities			
Net deficit before tax expense		(30,917)	(28,679)
Adjustment for:			
Depreciation on property, plant and equipment		120,628	120,884
Interest income		(13,382)	(7,949)
		76,329	84,256
Changes in working capital			
- Other receivables		(16,967)	3,074
- Other payables		(8,449)	8,866
Cash generated from operations		50,913	96,196
Income tax paid		-	-
Net cash provided by operating activities		50,913	96,196
Cash flow from investing activities			
Interest income		13,382	7,949
Net cash provided by investing activities		13,382	7,949
Net increase in cash and cash equivalents		64,295	104,145
Cash and cash equivalents at beginning of financial year		981,547	877,402
Cash and cash equivalents at end of financial year	3	1,045,842	981,547

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of the Temple for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of management committee members on 11 April 2016.

1 Corporate information

Gurdwara Sahib Yishun (the "Temple") is registered under Societies Act.

The address of its registered office is 601 Yishun Ring Road, Singapore 768684.

The principal activities of the Temple are those of charity.

2 Summary of significant accounting policies

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Temple's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

In making these judgments, the Temple has relied on past experience and their view of the economy. There are no other areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Temple adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Temple's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Temple:

Amendments to FRS 19	Employee Benefits (Defined benefit plans: Employee Contributions)
Amendments to FRS 24	Related Party Disclosures (Key management personnel)

The adoption of these new or amended FRS and INT FRS did not result in any substantial changes to the Temple's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2 Summary of significant accounting policies (Cont'd)

(b) *Property, plant and equipment*

Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Leasehold land and building	30 years
Furniture, fittings and signboards	10 years
Renovation	10 years
Equipment and utensils	8 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Temple and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the income statement during the financial year in which it is incurred.

Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

2 Summary of significant accounting policies (Cont'd)

(c) *Impairment of non-financial assets*

Property, plant and equipment are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of the assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement.

(d) *Financial asset*

Loans and receivables

Loans and receivables include "cash and cash equivalents" and "other receivables" in the balance sheet.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

The Temple assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(e) *Other payables*

Other payables are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method.

(f) *Cash and cash equivalents*

Cash and cash equivalents include cash at bank and cash on hand which are subject to an insignificant risk of changes in value.

2 Summary of significant accounting policies (Cont'd)

(g) *Income taxes*

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences except when the deferred income tax arises from the initial recognition of an asset or liability affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and are recognised as income or expenses in the income statement.

(h) *Income recognition*

All income is recognised on a cash basis, except for interest income which is recognised on an accrual basis.

(i) *Provisions for other liabilities and charges*

Provisions for other liabilities and charges are recognised when the Temple has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

(j) *Fair value estimation*

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

3 Cash and cash equivalents

	2015 \$	2014 \$
Cash on hand and at bank	95,842	131,547
Fixed deposits	950,000	850,000
	<u>1,045,842</u>	<u>981,547</u>

Cash and cash equivalents comprise of cash held by the Temple and short-term fixed deposits with an original maturity of 12 months, bearing interest at range of 1.45% to 1.80% (2014: 1.35%) per annum.

The carrying amount of these assets are approximate their fair value.

4 Other receivables

	2015 \$	2014 \$
Interest receivable	3,479	-
Deposit	3,860	4,540
Prepayments	19,011	4,843
	<u>26,350</u>	<u>9,383</u>

5 Property, plant and equipment

	<u>Leasehold land and building</u> \$	<u>Furniture, fittings and signboards</u> \$	<u>Renovation</u> \$	<u>Equipment and utensils</u> \$	<u>Total</u> \$
2015					
Cost					
Beginning of financial year	2,216,421	227,296	200,569	115,403	2,759,689
Additions	-	-	-	-	-
End of financial years	<u>2,216,421</u>	<u>227,296</u>	<u>200,569</u>	<u>115,403</u>	<u>2,759,689</u>
Accumulated depreciation					
Beginning of financial year	1,480,751	187,996	78,440	103,061	1,850,248
Additions	73,880	20,749	19,441	6,558	120,628
End of financial year	<u>1,554,631</u>	<u>208,745</u>	<u>97,881</u>	<u>109,619</u>	<u>1,970,876</u>
Net book value					
End of financial year	<u>661,790</u>	<u>18,551</u>	<u>102,688</u>	<u>5,784</u>	<u>788,813</u>

5 Property, plant and equipment (Cont'd)

	<u>Leasehold land and building</u> \$	<u>Furniture, fittings and signboards</u> \$	<u>Renovation</u> \$	<u>Equipment and utensils</u> \$	<u>Total</u> \$
2014					
Cost					
Beginning of financial year	2,216,421	227,296	200,569	115,403	2,759,689
Additions	-	-	-	-	-
End of financial years	<u>2,216,421</u>	<u>227,296</u>	<u>200,569</u>	<u>115,403</u>	<u>2,759,689</u>
Accumulated depreciation					
Beginning of financial year	1,406,870	167,247	58,743	96,504	1,729,364
Additions	73,881	20,749	19,697	6,557	120,884
End of financial year	<u>1,480,751</u>	<u>187,996</u>	<u>78,440</u>	<u>103,061</u>	<u>1,850,248</u>
Net book value					
End of financial year	<u>735,670</u>	<u>39,300</u>	<u>122,129</u>	<u>12,342</u>	<u>909,441</u>

6 Other payables

	2015 \$	2014 \$
Deferred interest income	<u>417</u>	<u>8,866</u>

7 Income tax expense

The Temple is a non-profitable charity organization and hence no provision for income tax is made.

8 Financial risk management

The Temple transacts its business in Singapore dollars. It maintains a level of cash and cash equivalents that is sufficient for working capital purposes. The Temple is not exposed to any significant interest rate risk, credit risk, currency risk or market risks.

9 New or revised accounting standards and interpretations

Below is the mandatory standards, amendments and interpretations to existing standards that have been published, and is relevant for the Temple's accounting periods beginning on or after 1 January 2016 or later periods and which the Temple has not early adopted:

<i><u>Annual period Commencing on</u></i>	<i><u>Description</u></i>
1 January 2016	Amendments to FRS 1 Presentation of financial statements (Disclosure initiative)
	FRS 19 Employee benefits (Determining the discount rates for post-employment benefit obligations)

The Temple anticipates that the adoption of the above amendments to FRS in the future periods will not have a material impact on the Temple's financial statement in the period of their initial adoption.