

SIKH WELFARE COUNCIL
(Registered under the societies act, cap.311)

Audited Financial Statements
For the financial year ended 31 December 2010

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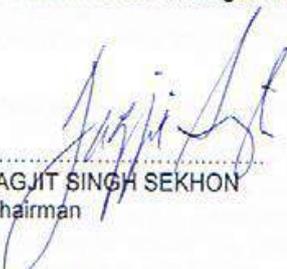
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SIKH WELFARE COUNCIL

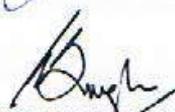
STATEMENT BY THE MANAGEMENT COUNCIL

In our opinion, the accompanying Statement of Financial Position and Income Statement together with the notes thereon are properly drawn up so as to exhibit a true and fair view of the state of affairs of the SIKH WELFARE COUNCIL as at 31 December 2010 and of the results, changes in funds and cash flows of the activities of the Council for the financial year then ended.

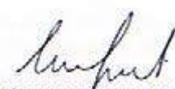
On behalf of the Management Council



.....
JAGJIT SINGH SEKHON
Chairman



.....
GURDIP SINGH USMA
Vice Chairman



.....
INDERPAL SINGH
Treasurer

Singapore,
29 March 2011

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COUNCIL OF

SIKH WELFARE COUNCIL

Report on the Financial Statements

We have audited the accompanying financial statements of Sikh Welfare Council, which comprise the statement of financial position as at 31 December 2010, the income statement, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 13.

Management council's Responsibility for the Financial Statements

The Management Council is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act, the Charities Act and Singapore Financial Reporting Standards and for such internal controls as management Council determines is necessary to enable the preparation of financial statements that are free of material misstatement whether due to fraud or error.

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 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 the Management Council, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COUNCIL OF
SIKH WELFARE COUNCIL – continued

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of Sikh Welfare Council as at 31 December 2010 and of the results, changes in funds and cash flows 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 regulations enacted by the Societies Act and the charities Act have been properly kept in accordance with those regulations.


MGI MENON & ASSOCIATES
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore,
29 March 2011



SIKH WELFARE COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	<u>NOTE</u>	<u>2010</u> S\$	<u>2009</u> S\$
ASSETS			
CURRENT ASSETS			
Grant receivable		15,000	-
Prepayment		157	175
Cash and cash equivalents	(3)	364,790	183,867
Total current assets		379,947	184,042
TOTAL ASSETS		379,947	184,042
 FUNDS AND LIABILITIES			
FUNDS			
Accumulated Funds	(4)	374,664	158,128
Total Funds		374,664	158,128
CURRENT LIABILITIES			
Accruals		5,283	18,874
Income tax liabilities	(6b)	-	7,040
Total current liabilities		5,283	25,914
Total liabilities		5,283	25,914
TOTAL FUNDS AND LIABILITIES		379,947	184,042

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

SIKH WELFARE COUNCIL

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	<u>NOTE</u>	<u>2010</u> S\$	<u>2009</u> S\$
Income			
Donation income		192,215	119,670
Donation from sikh institutions		83,255	85,705
Fund raising - Golf event		-	8,732
- Welfare day (PKDD)		4,700	-
- Welfare day (SRT adopt A.F.P)		6,373	-
- Flag day		55,754	-
- SKA Ladies wing		23,848	-
- Fashion Show		18,578	-
Welfare day - Khalsa Dharmak Sabha		-	75,579
- Guru Nanak Sat Sang Sabha		-	13,917
- Yishun Temple		-	24,201
- Central Gurdawara Board		-	10,474
		384,723	338,278
Add: Other Income			
Job credit		1,350	7,200
Interest income		19	-
		1,369	7,200
Less: Expenditure			
Audit fee		3,000	2500
Bank charges		413	283
Accountancy charges		-	290
Communication charges		4,259	6,503
Courier		-	186
Fund raising expenses		-	-
- Harmony run net of grant		3,550	-
- Flag day		3,128	-
- Fashion show		7,099	-
Employee benefits expenses	(5)	79,243	113,190
Family support		66,621	102,264
General expenses		3,930	172
Insurance		647	526
Medical expenses		20	245
Printing and stationery		3,128	5,993
Repairs and maintenance		1,313	330
Transport charges		245	-
		176,596	232,482
Surplus before income tax		209,496	112,996
Income tax income/(expense)	(6a)	7,040	(7,040)
Net surplus for the financial year		216,536	105,956

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

SIKH WELFARE COUNCIL

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	<u>2010</u> S\$	<u>2009</u> S\$
Surplus for the for the financial year	216,536	105,956
Other comprehensive income net of tax		
- Return of crematorium fund to the donors	-	(20,500)
- Sumatra earth quake relief donation	-	21,000
- Sumatra earth quake disbursement	-	(21,000)
	216,536	85,456
Total comprehensive income for the financial year	216,536	85,456

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	<u>Accumulated</u> <u>Fund</u> S\$	<u>Crematorium</u> <u>Fund</u> S\$	<u>Total</u> S\$
Balance as at beginning of financial year	158,128	-	158,128
Total comprehensive income	216,536	-	216,536
	374,664	-	374,664
Balance as at end of financial year	374,664	-	374,664

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	<u>Accumulated</u> <u>Fund</u> S\$	<u>Crematorium</u> <u>Fund</u> S\$	<u>Total</u> S\$
Balance as at beginning of financial year	52,172	20,500	72,672
Total comprehensive income	105,956	(20,500)	84,456
	158,128	-	158,128
Balance as at end of financial year	158,128	-	158,128

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

SIKH WELFARE COUNCIL

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u> S\$	<u>2009</u> S\$
Cash flow from operating activities			
Surplus before income tax		209,496	112,996
Crematorium fund		-	(20,500)
		<hr/>	<hr/>
Operating cash flows before changes in working capital		209,496	92,496
<u>Changes in working capital</u>			
Prepayment/other receivables		(14,982)	(175)
Other payables		(13,591)	(1,045)
		<hr/>	<hr/>
Net cash inflow from operating activities		180,923	91,276
		<hr/>	<hr/>
Net increase in cash and cash equivalents		180,923	91,276
Cash and cash equivalents at beginning of financial year			
		183,867	92,591
		<hr/>	<hr/>
Cash and cash equivalents at end of financial year	(3)	364,790	183,867
		<hr/> <hr/>	<hr/> <hr/>

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

SIKH WELFARE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010

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

1. DOMICILE AND ACTIVITIES

The **Sikh Welfare Council** (“the Council”) is a registered society (UEN: S98SS0018L) in Singapore under the Societies Act and the Charities Act. The principle activities of the Sikh Welfare Council are:

- (a) Supporting projects and schemes that promotes and performs welfare programmes for the Sikh community and the general public in Singapore.
- (b) Raising funds from individual Sikhs, from Sikh Institutions and general public for accomplishing the above objectives.

The registered office of the Council is at 2 Towner Road #03-03 Singapore 327804.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The financial statements are prepared in accordance with the Societies Act, the Charities Act and Singapore Financial Reporting Standards (FRS).

The financial statements are presented in Singapore Dollars (“S\$”).

The financial statements are prepared in accordance with the historical cost basis except as disclosed in the accounting policies below.

2.2 *Significant judgments by the management council in applying accounting policies-*

In the process of applying the Council's accounting policies, the management council did not made any significant judgments.

2.3 *Key sources of estimation uncertainty*

The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the financial period. Although these estimates are based on the Management Council's best knowledge of current event and actions, actual results may differ from those estimates.

SIKH WELFARE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.3 *Key sources of estimation uncertainty - continued*

There are no significant key assumptions concerning the future, nor other key sources of estimation uncertainty at the reporting date that would have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.4 *Financial assets*

Financial assets, are classified as 'financial assets at fair value through profit or loss', 'loans and receivables', 'held-to-maturity investments', or 'available-for-sale' financial assets. Financial assets are recognised in the statement of financial position when the Council becomes a party to the contractual provisions of the financial assets.

All financial assets are initially recognised at fair value plus any directly attributable transactional costs, except for 'financial assets at fair value through profit or loss' which are measured at fair value only. The classification of financial assets, after initial recognition, is re-evaluated and reclassified where allowed and appropriate.

2.5 *Cash and cash equivalents*

Cash at bank and fixed deposits are stated at cost.

2.6 *Other payables*

These liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in the income and expenditure statement when these liabilities are derecognised or impaired, as well as through the amortisation process.

2.7 *Provision*

Provisions are recognised when the Council has a present obligation as a result of a past event which is probable and will result in an outflow of economic benefits that can be reliably estimated.

SIKH WELFARE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.8 *Revenue recognition*

Donations including pledges are recognised on receipt basis.

2.9 *Income tax*

The Council is exempt from income tax.

2.10 *Employee benefits*

Defined contribution plan

As required by law, the Council makes contribution to the state pension scheme, Central Provident Fund (“CPF”). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Council has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made when the estimated liability for annual leave is incurred as a result of services rendered by employees up to the reporting date.

2.11 *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

SIKH WELFARE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. CASH AND CASH EQUIVALENTS	<u>2010</u> S\$	<u>2009</u> S\$
Fixed deposits	250,019	-
Cash at bank	112,498	176,681
Cash in hand	2,273	7,186
Cash and cash equivalents in the statement of cash flows	364,790	183,867

Fixed deposits earn interest of 0.25% per annum and are placed for 360 days.

4. **ACCUMULATED FUND**

The fund represent surplus of accumulated fund out of the operation of the Council. The fund is to be applied only to general purposes in accordance the objectives of the Council and not distributable otherwise.

5. EMPLOYEE BENEFITS EXPENSES	<u>2010</u> S\$	<u>2009</u> S\$
Staff salaries, bonus and allowances	71,919	100,800
Staff CPF and other contributions	7,324	12,390
	79,243	113,190

6. **INCOME TAX**

a) Income tax expense	<u>2010</u> S\$	<u>2009</u> S\$
Current expense	-	7,040
Over provision	(7,040)	-
	(7,040)	7,040

SIKH WELFARE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. INCOME TAX- continued

a) Income tax expense - continued

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:

	<u>2010</u> S\$	<u>2009</u> S\$
Accounting profit	<u>209,496</u>	<u>112,996</u>
Tax charge thereon @ 17%	35,614	19,209
Effect of tax exempt period income/expenses		(4,279)
Effect of exempt income	<u>(35,614)</u>	<u>(7,890)</u>
	<u>-</u>	<u>7,040</u>

b) Movement in current income tax liabilities

	<u>2010</u> S\$	<u>2009</u> S\$
Beginning of financial year	7,040	-
Over provision	(7,040)	-
Tax expense for the current year	-	7,040
End of financial year	<u>-</u>	<u>7,040</u>

With effect from the Year of Assessment 2008, all registered charities were exempted from tax. Also exempt from filing of income tax returns effective from the Year of Assessment 2008.

7. FINANCIAL RISK MANAGEMENT

The Council's operations carry certain financial risk. The Council's overall risk management approach is to moderate the effects of such volatility on its financial results.

a) Market risk

i) Foreign exchange risk

The Council is not exposed to any foreign exchange risk as all of its transactions are carried out in local currency.

SIKH WELFARE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. FINANCIAL RISK MANAGEMENT-continued

a) **Market risk - continued**

ii) *Interest rate risk*

The Council's exposure to market risk for changes in interest rates relates to fixed deposits from financial institution. It is the Council's policy to obtain the most favorable interest rates available. The interest rates of the fixed deposits are disclosed in Note 3.

b) **Credit risk**

The Council is not exposed to any substantial credit risk in that the other parties will not be able to meet their obligations to the Company.

The Council places its cash with a licensed bank in Singapore.

c) **Liquidity risk**

The Council manages its liquidity position with a view to meet its obligation on a timely basis. The Council measures and manages its cash flow requirements regularly and constantly monitors its resources of funds to ensure that these sources yield the funds required to meet its obligation.

All financial liabilities are due within 1 year.

d) **Fair value estimates**

The fair values of the Council's financial assets and financial liabilities are approximate their carrying values due to short term maturities of these financial instruments.

8. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Management Council on 29 March 2011.