

SARAWAK BANK EMPLOYEES' UNION
BENEVOLENT FUNDS
(Registered under the Trade Unions Ordinance, 1959)

Reports and Audited Financial Statements
31 March 2007

Sarawak Bank Employees' Union Benevolent Funds

President:	Hadiah Bte Leen
General Secretary:	Andrew Lo Kian Nyan
General Treasurer:	Bong Lok Then
Registered office:	2 nd Floor, Lot 79, Block B, Queen's Court, Jalan Wan Alwi, 93350 Kuching
Auditors:	Ernst & Young
Principal banker:	RHB Bank Berhad

Index	Page
Statement by Committee Members and Statutory Declaration	1
Report of the Auditors	2
Statement of Income and Expenditure	3
Balance Sheet	4
Receipts and Payments Statement	5
Statement of Changes in Accumulated Funds	6
Cash Flow Statement	7
Notes to the Financial Statements	8 - 12

Sarawak Bank Employees' Union Benevolent Funds

Statement by Committee Members

We, **Hadah Bte Leen** and **Andrew Lo Kian Nyan**, being two of the Committee Members of **Sarawak Bank Employees' Union Benevolent Funds**, do hereby state that, in the opinion of the Committee Members, the accompanying financial statements set out on pages 3 to 12 are drawn up in accordance with applicable Private Entities Reporting Standards in Malaysia and the provisions of the Trade Union Act, 1959 and Trade Unions Regulations, 1959 so as to give a true and fair view of the financial position of the Union as at 31 March 2007 and of the results and the cash flows of the Union for the year then ended.

Signed on behalf of the Committee in accordance with a resolution of the Committee Members dated

Hadah Bte Leen
President

Andrew Lo Kian Nyan
General Secretary

Statutory Declaration

I, **Bong Lok Then**, being the Committee Member primarily responsible for the financial management of **Sarawak Bank Employees' Union Benevolent Funds**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 3 to 12 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Bong Lok Then**
at Bintulu in the State of Sarawak
on

Bong Lok Then
General Treasurer

Before me,

**Report of the Auditors to the Members of
Sarawak Bank Employees' Union Benevolent Funds**

We have audited the accompanying financial statements set out on pages 3 to 12. These financial statements are the responsibility of the Management Committee.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the applicable provisions of the Trade Union Act, 1959 and the Trade Union Regulations, 1959 and applicable Private Entities Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the registered Fund as at 31 March 2007 and of the results and the cash flows of the Fund for the year then ended; and
- (b) the accounting and other records and the registers required by the Act to be kept by the registered Trade Union have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

YONG VOON KAR
1769/04/08 (J/PH)
Partner

Kuching, Malaysia
Date:

Sarawak Bank Employees' Union Benevolent Funds

Statement of Income and Expenditure for the year ended 31 March 2007

	2007 RM	2006 RM
Income		
Subscriptions fee	584,998	575,282
Interest income	9,834	81,816
Rental fee	-	5,640
Income from investment property	335,599	-
Excess OC paid	6	6
	930,437	662,744
Expenditure		
Audit fee	3,000	2,000
Benevolent withdrawals	86,893	106,542
Bank charges	112	38
Depreciation	754	754
Property, plant and equipment written off	2,365	-
Investment property written off	29,335	-
Member funeral expenses	-	2,000
Expenditure on investment property	306,778	-
	429,237	111,334
Undistributed surplus for the year	501,200	551,410

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

Sarawak Bank Employees' Union Benevolent Funds

Balance Sheet as at 31 March 2007

	Note	2007 RM	2006 RM
Non-current assets			
Property, plant and equipment	2	2,160	5,279
Investment property	3	3,762,553	3,116,364
Current assets			
Receivables	4	185,520	28,510
Fixed deposits with licensed banks		288,901	706,894
Cash at bank		45,090	34,137
		519,511	769,541
Current liabilities			
Sundry payables	5	938,296	1,046,456
Dividend payable		377,424	301,934
		1,315,720	1,348,390
Net current liabilities		(796,209)	(578,849)
		2,968,504	2,542,794
Financed by:			
Accumulated funds		2,968,504	2,542,794

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

Sarawak Bank Employees' Union Benevolent Funds

Receipts and Payments Statement for the year ended 31 March 2007

	Note	2007 RM	2006 RM
Receipts			
Subscriptions received		577,988	602,102
Interest received		9,834	81,816
Receipts from investment property		335,599	-
Excess OC paid		6	6
Rental fee		-	5,640
Fund transferred from general fund		-	777,756
		<u>923,427</u>	<u>1,467,320</u>
Payments			
Construction/purchase of property, plant and equipment		675,524	2,461,154
Funeral expenses		-	2,000
Bank charges		112	38
Benevolent withdrawals		86,893	106,542
Reimbursement meal/package		6,250	-
Transfer to general fund		411,688	-
Transfer to building fund		150,000	-
		<u>(407,040)</u>	<u>(1,102,414)</u>
Balance at 1 April		741,031	1,843,445
Balance at 31 March		<u>333,991</u>	<u>741,031</u>
Make up as follows:			
Cash at bank		45,090	34,137
Fixed deposits with licensed banks		288,901	706,894
		<u>333,991</u>	<u>741,031</u>

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

Sarawak Bank Employees' Union Benevolent Funds

Statement of Changes in Accumulated Funds for the year ended 31 March 2007

	Accumulated funds RM
At 1 April 2005	2,040,445
Surplus for the year	551,410
Proposed dividend for the year	(49,061)
At 31 March 2006	<u>2,542,794</u>
Surplus for the year	501,200
Proposed dividend for the year	(75,490)
At 31 March 2007	<u><u>2,968,504</u></u>

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

Sarawak Bank Employees' Union Benevolent Funds

Cash Flow Statement for the year ended 31 March 2007

	Note	2007 RM	2006 RM
Cash flows from operating activities			
Net surplus for the year		501,200	551,410
Adjustments for:			
Depreciation		754	754
Property, plant and equipment written off		2,365	-
Investment property written off		29,335	-
Net surplus before working capital changes		535,654	552,164
(Decrease)/increase in sundry payables		(108,160)	779,756
(Increase)/decrease in receivables		(157,010)	26,820
Net cash generated from operating activities		268,484	1,358,740
Cash flows from investing activities			
Purchase of investment property		(675,524)	(2,461,154)
Net cash used in investing activities		(675,524)	(2,461,154)
Net decrease in cash and cash equivalents		(407,040)	(1,102,414)
Cash and cash equivalents at the beginning of the year		741,031	1,843,445
Cash and cash equivalents at the end of the year	5	333,991	741,031

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

Sarawak Bank Employees' Union Benevolent Funds

Notes to the Financial Statements - 31 March 2007

1. Significant accounting policies

(a) Basis of preparation

The financial statements of the Benevolent Funds, expressed in Ringgit Malaysia, are prepared under the historical cost convention.

The financial statements comply with the provisions of the Trade Union Act, 1959 and Trade Union Regulations, 1959 and applicable Private Entities Reporting Standards in Malaysia.

(b) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any). The policy for the recognition and measurement of impairment losses is in accordance with Note 1 (c).

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of the property, plant and equipment over their estimated useful lives. The principal annual rates used are as follows:

Furniture, fittings and equipment	10%
-----------------------------------	-----

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is charged or credited to the income statement.

(c) Impairment of assets

At each balance sheet date, the Union reviews the carrying amounts of its assets, to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in 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 any unutilised previously recognised revaluation surplus for the same asset.

(d) Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents include cash on hand and at bank and deposits held at call.

Sarawak Bank Employees' Union Benevolent Funds

Notes to the Financial Statements - 31 March 2007

1. Significant accounting policies (contd.)

(e) Income recognition

Subscriptions due is accounted for on an accrual basis. Other income is taken into account as and when received.

(f) Investment property

Investment property consists of investment in land and buildings that is not substantially occupied for use by, or in the operations, of the Union.

Investment property is treated as long term investment and is stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 1 (c).

(g) Financial instruments

Financial instruments are recognised in the balance sheet when the Union has become a party to the contractual provisions of the instrument.

(i) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2. Property, plant and equipment

	Furniture, fittings and equipment	Total
	RM	RM
Cost		
At 1 April 2006	7,541	7,541
Written off	(3,941)	(3,941)
	<hr/>	<hr/>
At 31 March 2007	3,600	3,600
	<hr/>	<hr/>
Accumulated depreciation		
Charge for 2006	754	754
	<hr/>	<hr/>
At 1 April 2006	2,262	2,262
Charge for 2007	754	754
Written off	(1,576)	(1,576)
	<hr/>	<hr/>
At 31 March 2007	1,440	1,440
	<hr/> <hr/>	<hr/> <hr/>

Sarawak Bank Employees' Union Benevolent Funds

Notes to the Financial Statements - 31 March 2007

2. Property, plant and equipment (contd.)	Furniture, fittings and equipment RM	Total RM
Net book value		
At 31 March 2007	2,160	2,160
	=====	=====
At 31 March 2006	5,279	5,279
	=====	=====
Details at 1 April 2005		
Cost	7,541	7,541
Accumulated depreciation	1,508	1,508
	=====	=====

3. Investment property	2007 RM	2006 RM
Freehold land, at cost	355,000	355,000
Add: Legal fee	4,175	4,175
Renovation	-	29,335
Construction cost - Union Retreat	3,403,378	2,727,854
	=====	=====
	3,762,553	3,116,364
	=====	=====

Investment property details as follows:

Date of Purchase	Location	Type-Tenure	Property held by
29 June 2001	Lot 371, Block 5, Gading Land District, Siar Beach, Lundu, Kuching	Land - Free hold perpetuity	Union Yes Retreat

4. Receivables	2007 RM	2006 RM
Building fund	150,000	-
Subscriptions in arrears	35,520	28,510
	=====	=====
	185,520	28,510
	=====	=====

Sarawak Bank Employees' Union Benevolent Funds

Notes to the Financial Statements - 31 March 2007

5. Sundry payables

	2007	2006
	RM	RM
General fund	935,296	1,044,456
Other payable	3,000	2,000
	<u>938,296</u>	<u>1,046,456</u>
	=====	=====

6. Cash and cash equivalents

Cash at banks (Note 7)	45,090	34,137
Short-term deposits	288,901	706,894
	<u>333,991</u>	<u>741,031</u>
	=====	=====

7. Cash at bank

RHB Bank Bhd., Kuching (savings account)	40,620	25,471
RHB Bank Bhd., Kuching (current account)	4,470	8,666
	<u>45,090</u>	<u>34,137</u>
	=====	=====

8. Members' fund

The members' fund is analysed as follows:

	Benefits	Non-benefits	Total	
	RM	RM	2007	2006
			RM	RM
Members' fund	2,744,530	223,974	2,968,504	2,542,794
	=====	=====	=====	=====
			2007	2006
			RM	RM
Represented by:				
Investment property			3,762,553	3,116,364
Property, plant and equipment			2,160	5,279
Receivables			185,520	28,510
Fixed deposits with licensed banks			288,901	706,894
Cash at bank			45,090	34,137
			<u>4,284,224</u>	<u>3,891,184</u>
			=====	=====
Less:				
Sundry payables			938,296	1,046,456
Dividend payable			377,424	301,934
			<u>2,968,504</u>	<u>2,542,794</u>
			=====	=====

Sarawak Bank Employees' Union Benevolent Funds

8. Members' fund (contd.)

Benefits

This refers to members' contribution available for distribution as benevolent benefits.

Non-benefits

This refers to members' contribution not available for distribution as benevolent benefits. This comprises those members who are in arrears for their subscriptions for more than three months.

9. Financial instruments

(a) Financial risk management objectives and policies

The Union's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Union's operations whilst managing its liquidity and credit risks. The Union operates within clearly defined guidelines that are approved by the Committee Members and the Union's policy is not to engage in speculative transactions.

(b) Liquidity risk

The Union actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding requirements are met. As part of its overall prudent liquidity management, the Union maintains sufficient levels of cash and cash equivalents to meet its working capital requirements.

(c) Credit risk

The Union is not exposed to any credit risk as it did not extend loan or any other forms of credit facilities.

(d) Fair values

The carrying amounts of financial assets and liabilities approximate their fair values.

Sarawak Bank Employees' Union Benevolent Funds

Union Yes Retreat

Statement of Income and Expenditure for the year ended 31 March 2007

	2007 RM
Income	
Income from investment property	
- Rental room/meal package	302,212
- Rental room – Self	10,105
- Rental – Union Inn	1,550
- Conference room rental	9,350
- Conference room rental – Self	3,625
- Sundry income	
- T-shirts	180
- Token	4,320
- Handphone reloads	767
- Swimming pool day pass	2,628
- Other receipts	862
Total income	335,599
Expenditure	
Advertising	3,000
Allowances – travelling	11,287
Consumables	8,189
Commission – marketing	870
Electricity	23,338
Entertainment and refreshment	879
Ex-gratia (incentive and bonus)	650
Insurance premium	4,247
Maintenance of swimming pool	4,889
Maintenance of office equipment	17,349
Printing and stationery	10,873
Repair and maintenance – building	9,644
Retreat soft opening	3,754
Reimbursement meal	99,146
Reimbursement karaoke	750

Sarawak Bank Employees' Union Benevolent Funds

Union Yes Retreat

Statement of Income and Expenditure for the year ended 31 March 2007

	2007 RM
Expenditure (contd.)	
Disbursement advances, menu, motor and T-shirts	4,260
Salary, wages, allowances, EPF and SOCSO	42,453
Salary – part time workers	2,410
Social and welfare expenses	4,163
Sundry expenses	7,621
Telephone and fax	2,926
Handphone reloads	1,238
Transport allowance	1,736
Training on job	500
Upkeeping motor vehicles	33,406
Union retreat T-shirt	7,200
	306,778
Surplus for the year	<u>28,821</u> =====

The Union Yes Retreat Statement in a supplementary statement showing the financial results of the Union Yes Retreat, (an investment property of the Benevolent Funds, located at Siar Beach, Lundu, Kuching) for the year ended 31 March 2007. This statement has already been incorporated in the Statement of Income and Expenditure of the Benevolent Funds for the year ended 31 March 2007.