

**FULL GOSPEL BUSINESS MEN'S
FELLOWSHIP BERHAD**

(Incorporated in Malaysia)

Company No: 150803 - A

FINANCIAL REPORT
for the financial year ended 31 December 2015

Contents

	Page
Directors' Report.....	1
Statement by Directors.....	4
Statutory Declaration.....	4
Independent Auditors' Report.....	5
Statement of Financial Position.....	7
Statement of Income and Expenditure.....	8
Statement of Cash Flows.....	9
Notes to the Financial Statements.....	10

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2015.

ESTABLISHMENT AND PRINCIPAL ACTIVITY

The Company is established as a religious organisation for the advancement of Christianity.

RESULTS

RM

Deficit of expenditure over income for the financial year

(23,231)

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the setting up of allowance for impairment losses in the financial statements of the Company.

CURRENT ASSETS

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Wong Hong Meng
Fong Hoong Heng
Ling In Kin

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

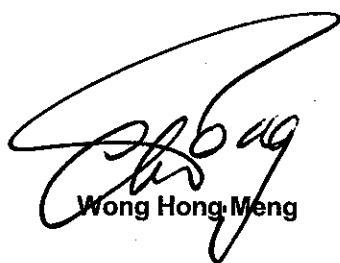
Company No: 150803 - A

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 10 JUN 2016



Wong Hong Meng



Fong Hoong Heng

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

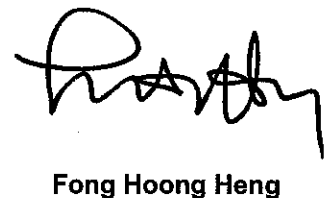
STATEMENT BY DIRECTORS

We, Wong Hong Meng and Fong Hoong Heng, being two of the directors of Full Gospel Business Men's Fellowship Berhad, state that, in the opinion of the directors, the financial statements set out on pages 7 to 27 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company at 31 December 2014 and of its financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated **10 JUN 2016**



Wong Hong Meng



Fong Hoong Heng

STATUTORY DECLARATION

I, Wong Hong Meng, I/C No. 461008-07-5421, being the director primarily responsible for the financial management of Full Gospel Business Men's Fellowship Berhad, do solemnly and sincerely declare that the financial statements set out on pages 7 to 27 are, to the best of my knowledge and belief, 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
Wong Hong Meng, I/C No. 461008-07-5421,
at Kuala Lumpur in the Federal Territory
on this **10 JUN 2016**

Before me



Wong Hong Meng

B-3A-4, Megan Avenue 2,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)
Company No: 150803 - A

Report on the Financial Statements

We have audited the financial statements of Full Gospel Business Men's Fellowship Berhad, which comprise the statement of financial position as at 31 December 2015 and the statement of income and expenditure and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 27.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 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 our judgment, 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD (CONT'D)**

(Incorporated in Malaysia)
Company No: 150803 - A

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2015 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

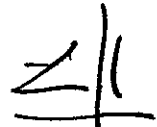
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Crowe Horwath
Firm No: AF1018
Chartered Accountants

10 JUN 2016

Kuala Lumpur



Chan Kuan Chee
Approval No: 2271/10/17 (J)
Chartered Accountant

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Note	2015 RM	2014 RM
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	407,269	413,105
Unquoted investment	6	1	1
		<u>407,270</u>	<u>413,106</u>
CURRENT ASSETS			
Inventories	7	7,216	8,155
Deposits		5,335	5,335
Fixed deposits with a licensed bank	8	200,000	200,000
Cash and bank balances		292,948	340,070
		<u>505,499</u>	<u>553,560</u>
TOTAL ASSETS		<u>912,769</u>	<u>966,666</u>
ACCUMULATED FUNDS AND LIABILITY			
ACCUMULATED FUNDS			
Surplus of income over expenditure		155,295	178,526
Building fund	9	584,210	584,210
TOTAL ACCUMULATED FUNDS	10	<u>739,505</u>	<u>762,736</u>
CURRENT LIABILITY			
Other payables and accruals		<u>173,264</u>	<u>203,930</u>
TOTAL ACCUMULATED FUNDS AND LIABILITY		<u>912,769</u>	<u>966,666</u>

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	2015 RM	2014 RM
REVENUE	11	326,165	331,236
COST OF SALES		(939)	(1,321)
GROSS PROFIT		325,226	329,915
ADMINISTRATIVE EXPENSES		(334,623)	(270,795)
OTHER EXPENSES		(13,834)	(9,835)
(DEFICIT)/SURPLUS OF EXPENDITURE OVER INCOME	12	(23,231)	49,285
ACCUMULATED FUNDS BROUGHT FORWARD		178,526	129,241
ACCUMULATED FUNDS CARRIED FORWARD		155,295	178,526

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	2015 RM	2014 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES			
(Deficit)/Surplus of expenditure over income		(23,231)	49,285
Adjustments for:-			
Depreciation of property and equipment		13,834	9,836
Interest income		(6,300)	(6,100)
Operating loss/profit before working capital changes		(15,697)	53,021
Decrease in inventories		939	1,321
(Decrease)/Increase in other payables and accruals		(30,666)	43,300
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(45,424)	97,642
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
Interest received		6,300	6,100
Purchase of property and equipment		(7,998)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(1,698)	6,100
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(47,122)	103,742
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		540,070	436,328
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	13	492,948	540,070

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

The Company is incorporated as a public company limited by guarantee under the Malaysian Companies Act 1965. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : 127B, Jalan SS21/37,
Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : 3A-12, Block A, Kelana Square,
No. 17, Jalan SS7/26,
47301 Petaling Jaya,
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 10 June 2016.

2. ESTABLISHMENT AND PRINCIPAL ACTIVITY

The Company is established as a religious organisation for the advancement of Christianity.

3. BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Company has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and/or interpretations (including the consequential amendments) did not have any material impact on the Company's financial statements.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. BASIC OF PREPARATION (CONT'D)

3.2 The Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3. BASIC OF PREPARATION (CONT'D)

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application, except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Company's investments in unquoted shares that are currently stated at cost will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Company is currently assessing the financial impact of adopting MFRS 9.
- (b) Amendments to MFRS 101: Disclosure Initiative. Generally there will be no impact on the financial statements.
- (c) Annual Improvements to MFRSs 2012 – 2014 Cycle. Generally there will be no impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Company anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(c) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4.2 FUNCTIONAL AND PRESENTATION CURRENCY

The financial currency of the Company is the currency of the primary economic environment in which the Company operates.

The financial statements of the Company are presented in Ringgit Malaysia ("RM") which is the functional and presentation currency.

4.3 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the asset over its estimated useful life. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Building	2%
Office equipment	50%
Computer and software	50%
Renovation	50%
Furniture and fittings	50%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each statement of financial position date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 PROPERTY AND EQUIPMENT (CONT'D)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Company is obligated to incur when the asset is acquired, if applicable.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in the statement of income and expenditure.

4.4 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through the statement of income and expenditure), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in the statement of income and expenditure and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in the statement of income and expenditure and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in the statement of income and expenditure and accumulated in equity under fair value reserve, is reclassified from equity to the statement of income and expenditure.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of income and expenditure to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in the statement of income and expenditure are not reversed through the statement of income and expenditure. Any increase in fair value subsequent to an impairment loss made is recognised in the statement of income and expenditure.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period 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 of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised to profit and loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.5 UNQUOTED INVESTMENT

The unquoted investment is held on a long-term basis and is stated at cost in the statement of financial position of the Company, and is reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the unquoted investment, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the statement of income and expenditure.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.7 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through the statement of income and expenditure, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

- (i) Financial Assets at Fair Value Through The Statement of Income and Expenditure.

Financial assets are classified as financial assets at fair value through the statement of income and expenditure when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

- (ii) Held-to-maturity Investments

As the end of reporting period, there were no financial assets classified under this category.

- (iii) Loans and Receivables Financial Assets

Member's contributions and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loan and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in the statement of income and expenditure and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into the statement of income and expenditure.

Dividends on available-for-sale equity instruments are recognised in the statement of income and expenditure when the Company's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised with 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through the statement of income and expenditure.

Fair value through the statement of income and expenditure category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to be deter settlement of the liability for at least 12 months after the reporting date.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

4.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.9 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in statement of income and expenditure in the period in which the associated services are rendered by employees of the Company.

Defined Contribution Plans

The Company's contributions to defined contribution plans are recognized in the statement of income and expenditure in the period to which they relate. Once the contributions have been paid, the Company has no further liability in respect of the defined contribution plans.

4.10 REVENUE RECOGNITION

(a) Donations, Membership Fees

Donations, and membership fees are accounted for on a receipt basis.

(b) Interest Income

Interest income is recognised on an accrual basis, using the effective interest method.

(c) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. PROPERTY AND EQUIPMENT

	At 1.1.2015 RM	Addition RM	Depreciation Charge RM	At 31.12.2015 RM
Net Book Value				
Building	413,087	-	(9,835)	403,252
Office equipment	8	3,900	(1,950)	1,958
Computer and software	6	4,098	(2,049)	2,055
Renovation	1	-	-	1
Furniture and fittings	3	-	-	3
	413,105	7,998	(13,834)	407,269

	At 1.1.2014 RM	Addition RM	Depreciation Charge RM	At 31.12.2014 RM
Net Book Value				
Building	422,923	-	(9,836)	413,087
Office equipment	8	-	-	8
Computer and software	6	-	-	6
Renovation	1	-	-	1
Furniture and fittings	3	-	-	3
	422,941	-	(9,836)	413,105

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.12.2015			
Building	491,770	(88,518)	403,252
Office equipment	55,705	(53,747)	1,958
Computer and software	18,182	(16,127)	2,055
Renovation	79,011	(79,010)	1
Furniture and fittings	30,186	(30,183)	3
	674,854	(267,585)	407,269

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5. PROPERTY AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.12.2014			
Building	491,770	(78,683)	413,087
Office equipment	51,805	(51,797)	8
Computer and software	14,084	(14,078)	6
Renovation	79,011	(79,010)	1
Furniture and fittings	30,186	(30,183)	3
	<u>666,856</u>	<u>(253,751)</u>	<u>413,105</u>

6. UNQUOTED INVESTMENT

	2015 RM	2014 RM
Unquoted shares, at cost	50,000	50,000
Accumulated impairment loss	(49,999)	(49,999)
	<u>1</u>	<u>1</u>

7. INVENTORIES

	2015 RM	2014 RM
Finished goods for resale, at cost	<u>7,216</u>	<u>8,155</u>

None of the inventories is carried at net realisable value.

8. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The fixed deposits are subject to a weighted average effective interest rate of 3.15% (2014 – 3.21%) per annum at the end of the reporting period. The fixed deposits have a maturity period of 1 month (2014 - 1 month).

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

9. BUILDING FUND

The building fund represents contributions collected from members of the Fellowship to finance the purchase of an office unit for the National Office. The building fund is not distributable the members of the Company in any form.

10. TOTAL ACCUMULATED FUNDS

The accumulated funds are prohibited from distribution in any form by the Memorandum and Articles of the Company.

11. REVENUE

Revenue represents donations, offerings, membership fees, fixed deposit interest received and sale of goods.

12. (DEFICIT)/SURPLUS OF EXPENDITURE OVER INCOME

Deficit of expenditure over income is arrived at after charging/(crediting):-

	2015 RM	2014 RM
Audit fee	1,500	1,500
Depreciation of property and equipment	13,834	9,835
Employee benefit expenses:		
- salaries, allowances and bonus	108,500	105,700
- defined contribution plan	14,126	13,762
- other benefits	1,240	1,240
Fixed deposit interest	(6,300)	(6,100)

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

13. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:-

	2015 RM	2014 RM
Fixed deposits with a licensed bank	200,000	200,000
Cash and bank balances	292,948	340,070
	<u>492,948</u>	<u>540,070</u>

14. SHARE CAPITAL

The Company was incorporated as a public company limited by guarantee without a share capital. In the event of the Company being wound up, each member of the Company undertakes to contribute a maximum of RM100 to the assets of the Company.

15. INCOME TAX EXPENSE

The Company is exempted from tax on its income under Paragraph 13 of Schedule 6 of the Income Tax Act 1967.

16. FINANCIAL INSTRUMENTS

The Company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

0
3
a

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16. FINANCIAL INSTRUMENTS (CONT'D)

16.1 FINANCIAL RISK MANAGEMENT POLICIES

The Company's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Company does not have any transactions or balances denominated in foreign currencies and hence are not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Company does not have any interest-bearing borrowings and hence is not exposed to interest rate risk.

(iii) Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit Risk

The Company does not have any major concentration of credit risk related to any individual customer or counterparty.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16. FINANCIAL INSTRUMENTS (CONT'D)

16.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances to meet its working capital requirements.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2015				
Other payables and accruals	-	173,264	173,264	173,264
	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2014				
Other payables and accruals	-	203,930	203,930	203,930

16.2 CAPITAL RISK MANAGEMENT

The Company manages its capital by maintaining an optimal capital structure so as to support its businesses. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting returning of capital to members.

The Company manages its capital based on debt-to-equity ratio. As the Company has no borrowings, the debt-to-equity ratio may not provide a meaningful indicator of the risk of borrowings.

FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16. FINANCIAL INSTRUMENTS (CONT'D)

16.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2015 RM	2014 RM
Financial Assets		
<u>Available-for-sale</u>		
Unquoted investment	1	1
	<hr/>	<hr/>
<u>Loans and receivables financial assets</u>		
Deposits	5,335	5,335
Fixed deposits with licensed financial institutions	200,000	200,000
Cash and bank balances	292,948	340,070
	<hr/>	<hr/>
	498,283	545,405
	<hr/>	<hr/>
Financial Liability		
<u>Other financial liability</u>		
Other payables and accruals	173,264	203,930
	<hr/>	<hr/>

16.4 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values.

The fair values of the financial assets and financial liabilities of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.