

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

(Incorporated in Malaysia)

Company No: 150803 - A

**FINANCIAL REPORT**  
for the financial year ended 31 December 2014

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# FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

(Incorporated in Malaysia)

Company No: 150803 - A

## DIRECTORS' REPORT

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The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2014.

### ESTABLISHMENT AND PRINCIPAL ACTIVITY

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

### RESULTS

RM

Surplus of income over expenditure for the financial year

49,285

### 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**

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### **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 (Appointed on 17.9.2014)  
Cheng Kong Meng (Resigned on 19.8.2014)

### **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**

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**AUDITORS**

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

Signed in accordance with a resolution of the directors dated 08 JUN 2015



Wong Hong Meng



Fong Hoong Heng

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


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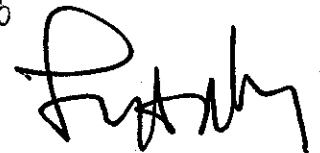
**STATEMENT BY DIRECTORS**

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 25 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 08 JUN 2015



Wong Hong Meng



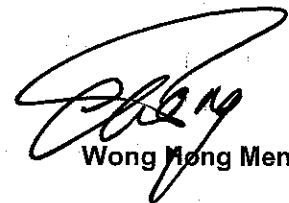
Fong Hoong Heng

**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 25 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 08 JUN 2015

Before me



Wong Hong Meng

Rabin & Associates  
C-12-5  
Blok C, Ting. 12 Unit 5  
Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel: 012-3008300

**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 2014 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 25.

*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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit 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 2014 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**

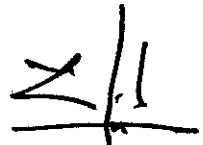
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**Crowe Horwath**  
Firm No: AF1018  
Chartered Accountants

08 JUN 2015

Kuala Lumpur



**Chan Kuan Chee**  
Approval No: 2271/10/15 (J)  
Chartered Accountant

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

(Incorporated in Malaysia)

Company No: 150803 - A

**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014**

	Note	2014 RM	2013 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	413,105	422,941
Unquoted investment	6	1	1
		<u>413,106</u>	<u>422,942</u>
<b>CURRENT ASSETS</b>			
Inventories	7	8,155	9,476
Deposits		5,335	5,335
Fixed deposits with a licensed bank	8	200,000	200,000
Cash and bank balances		340,070	236,328
		<u>553,560</u>	<u>451,139</u>
<b>TOTAL ASSETS</b>		<u><b>966,666</b></u>	<u><b>874,081</b></u>
<b>ACCUMULATED FUNDS AND LIABILITY</b>			
<b>ACCUMULATED FUNDS</b>			
Surplus of income over expenditure		178,526	129,241
Building fund	9	584,210	584,210
<b>TOTAL ACCUMULATED FUNDS</b>	10	<u>762,736</u>	<u>713,451</u>
<b>CURRENT LIABILITY</b>			
Other payables and accruals		203,930	160,630
<b>TOTAL ACCUMULATED FUNDS AND LIABILITY</b>		<u><b>966,666</b></u>	<u><b>874,081</b></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 2014**

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	Note	2014 RM	2013 RM
REVENUE	11	331,236	295,689
COST OF SALES		(1,321)	(1,193)
GROSS PROFIT		329,915	294,496
ADMINISTRATIVE EXPENSES		(270,795)	(303,746)
OTHER EXPENSES		(9,835)	(12,585)
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE	12	49,285	(21,835)
ACCUMULATED FUNDS BROUGHT FORWARD		129,241	151,076
ACCUMULATED FUNDS CARRIED FORWARD		178,526	129,241

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**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 2014**

	Note	2014 RM	2013 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(Deficit) of income over expenditure		49,285	(21,835)
Adjustments for:-			
Depreciation of property and equipment		9,836	12,585
Interest income		(6,100)	(5,999)
Operating profit/(loss) before working capital changes		53,021	(15,249)
Decrease in inventories		1,321	1,194
Increase in other payables and accruals		43,300	48,426
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>97,642</b>	<b>34,371</b>
<b>NET CASH FROM INVESTING ACTIVITY</b>			
Interest received		6,100	5,999
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>103,742</b>	<b>40,370</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>			
		436,328	395,958
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>			
	13	540,070	436,328

# 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 2014

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### 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 DarulEhsan.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 8 June 2015.

### 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 interpretations (including the consequential amendments, if any):-

**MFRSs and IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

The adoption of the above accounting standards and 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 2014

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#### 3. BASIC OF PREPARATION (CONT'D)

- 3.2 The Company has not applied in advance the following accounting standards and 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:-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
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 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
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 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Company's operations.

# **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 2014**

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### **4. SIGNIFICANT ACCOUNTING POLICIES**

#### **4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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 and usage 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 technologies development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### **(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 Company carries certain financial assets and 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 Company uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

# 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 2014

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.2 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Company is the currency of the primary economic environment in which the Company or that entity 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%
Computer and software	50%
Furniture and fittings	50%
Office equipment	50%
Renovation	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.

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.

# 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 2014

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 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.

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.

# 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 2014

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.4 IMPAIRMENT (CONT'D)

##### (a) Impairment of Financial Assets (Cont'd)

An impairment loss is recognised in the statement of income and expenditure immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and 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, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 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.

#### 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.

Where necessary, due allowance is made for all damaged, obsolete and slow moving items.



# FULL GOSPEL BUSINESS MEN'S FELLOWSHIP BERHAD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.7 FINANCIAL INSTRUMENTS

Financial instruments 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 plus, in the case of a financial instrument not at fair value through the statement of income and expenditure, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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.

#### (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 Company's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement 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 2014

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.7 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

##### (ii) Held-to-maturity Investments

As at the end of the 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.

Loans 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.

##### (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 within 12 months after the reporting date.

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.7 FINANCIAL INSTRUMENTS (CONT'D)

##### (b) Financial Liabilities

All financial liabilities are initially 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.

##### (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 and demand deposits, deposits, bank overdrafts 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.

#### 4.9 EMPLOYEE BENEFITS

##### (a) Short-term Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

##### (b) 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.

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### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.10 REVENUE RECOGNITION

(a) **Donations and Membership Fees**

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

(b) **Interest Income**

Interest income is recognised on an accrual basis.

(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.

#### 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.

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

	At 1.1.2013 RM	Depreciation Charge RM	At 31.12.2013 RM
Net Book Value			
Building	432,759	(9,836)	422,923
Computer and software	6	-	6
Furniture and fittings	3	-	3
Office equipment	2,757	(2,749)	8
Renovation	1	-	1
	<b>435,526</b>	<b>(12,585)</b>	<b>422,941</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.12.2013			
Building	491,770	(68,847)	422,923
Computer and software	14,084	(14,078)	6
Furniture and fittings	30,186	(30,183)	3
Office equipment	51,805	(51,797)	8
Renovation	79,011	(79,010)	1
	<u>666,856</u>	<u>(243,915)</u>	<u>422,941</u>

**6. UNQUOTED INVESTMENT**

	2014 RM	2013 RM
Unquoted shares, at cost	50,000	50,000
Accumulated impairment loss	(49,999)	(49,999)
	<u>1</u>	<u>1</u>

**7. INVENTORIES**

	2014 RM	2013 RM
Finished goods for resale, at cost	<u>8,155</u>	<u>9,476</u>

None of the inventories is carried at net realisable value.

**8. FIXED DEPOSITS WITH A LICENSED BANK**

The fixed deposits with a licensed bank at the end of the reporting period bore effective interest rates of 3.21%(2013 - 3.00%) per annum. The fixed deposits have maturity periods of 1 month (2013 - 1 month).

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#### 9. BUILDING FUND

The building fund represents contributions collected from the members of the Fellowship to finance the purchase of an office unit for the National Office. The building fund is not distributable to 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. SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE

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

	2014 RM	2013 RM
Audit fee	1,500	1,500
Depreciation of property and equipment	9,835	12,585
Employee benefit expenses:		
- salaries and allowances	105,700	104,300
- defined contribution plan	13,762	13,580
- other benefits	1,240	1,240
Fixed deposit interest	(6,100)	(5,999)

#### 13. CASH AND CASH EQUIVALENTS

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

	2014 RM	2013 RM
Fixed deposits with a licensed bank	200,000	200,000
Cash and bank balances	340,070	236,328

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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#### **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 limited 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.

##### **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.



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#### 16. FINANCIAL INSTRUMENTS (CONT'D)

##### 16.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and operation activities. The Company practises prudent risk management by maintaining sufficient cash balances to meet its operation 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
<b>2014</b>				
Other payables and accruals	-	203,930	203,930	203,930
<b>2013</b>				
Other payables and accruals	-	160,630	160,630	160,630

##### 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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014****16. FINANCIAL INSTRUMENTS (CONT'D)**

## 16.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2014 RM	2013 RM
<b>Financial Assets</b>		
<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 a licensed bank	200,000	200,000
Cash and bank balances	340,070	236,328
	<hr/>	<hr/>
	545,405	441,663
	<hr/>	<hr/>
<b>Financial Liability</b>		
<u>Other financial liability</u>		
Other payables and accruals	203,930	160,630
	<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 approximated their carrying amounts due to the relatively short-term maturity of the financial instruments (maturing within the next 12 months).