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THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE AND ITS SUBSIDIARY

MANAGEMENT'S STATEMENT AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE AND ITS SUBSIDIARY

MANAGEMENT'S STATEMENT AND FINANCIAL STATEMENTS

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GRP2-MGR/3020765-4050722-FS/MSSB/CSX

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE
AND ITS SUBSIDIARY

MANAGEMENT'S STATEMENT

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, General Fund statements of income and expenditure, Zakat Trust Fund statements of income and expenditure, Building Fund statements of income and expenditure and statement of changes in funds of the Association as set out on pages 4 to 41 are drawn up so as to give a true and fair view of the financial position of the Group and of the Association as at December 31, 2015 and the financial performance and changes in funds of the Group and of the Association, and cash flows of the Group for the financial year ended on that date.

On behalf of the Management

....	....
Edwin Ignatious M @ Muhd Faiz	Siti Aisha Bte Abdullah (Bernice)
President	Vice President (Finance)

Singapore
04 MAR 2016

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE

Report on the Financial Statements

We have audited the accompanying financial statements of The Muslim Converts' Association of Singapore (the "Association") and its subsidiary (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Association as at December 31, 2015, and the General Fund statements of income and expenditure, Zakat Trust Fund statements of income and expenditure, Building Fund statements of income and expenditure, and the statements of changes in funds of the Group and the Association and statement of cash flows of the Group, for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 41.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Charities Act, Cap. 37 (the "Acts") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, General Fund statements of income and expenditure, Zakat Trust Fund statements of income and expenditure, Building Fund statements of income and expenditure and statement of changes in funds of the Association are properly drawn up in accordance with the provisions of the Acts and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Association as at December 31, 2015 and the financial performance, changes in funds of the Group and the Association and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

March 4, 2016

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION
December 31, 2015

		Group		Association	
	Note	2015	2014	2015	2014
		$	$	$	$
GENERAL FUND		1,658,611	1,661,928	1,722,478	1,725,795
ZAKAT TRUST FUND		4,497,972	4,574,763	4,434,105	4,510,896
BUILDING FUND		36,243,530	36,324,188	36,243,530	36,324,188
TOTAL FUNDS		42,400,113	42,560,879	42,400,113	42,560,879
REPRESENTED BY:					
Non-current assets					
Property, plant and equipment	7	9,009,092	8,948,914	9,009,092	8,948,914
Investment properties	8	11,500,000	11,800,000	11,500,000	11,800,000
Investment in subsidiary	9	-	-	-	-
Total non-current assets		20,509,092	20,748,914	20,509,092	20,748,914
Current assets					
Cash and cash balances		4,053,697	4,361,740	4,053,697	4,361,740
Fixed deposits and held-to-maturity financial asset	10	17,649,599	17,367,730	17,649,599	17,367,730
Held for trading investments	11	572,106	499,476	572,106	499,476
Trade receivables	12	43,079	56,629	43,079	56,629
Other receivables and prepayments	13	232,037	109,872	232,037	109,872
Amount due from subsidiary company	9	-	-	-	-
Inventories	14	54,371	39,879	54,371	39,879
Total current assets		22,604,889	22,435,326	22,604,889	22,435,326
Less: Current liability					
Other payables	15	713,868	623,361	713,868	623,361
Net current assets		21,891,021	21,811,965	21,891,021	21,811,965
Total net assets		42,400,113	42,560,879	42,400,113	42,560,879

See accompanying notes to financial statements.

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE
AND ITS SUBSIDIARY

GENERAL FUND
STATEMENTS OF INCOME AND EXPENDITURE
Year ended December 31, 2015

		Group		Association	
	Note	2015	2014	2015	2014
		$	$	$	$
INCOME	18	889,732	856,482	889,732	856,482
EXPENDITURE	19	(1,033,049)	(815,823)	(1,033,049)	(815,823)
(Deficit)/Surplus of income over expenditure before transfer from Building Fund		(143,317)	40,659	(143,317)	40,659
Transfer from Building Fund	17	140,000	140,000	140,000	140,000
(Deficit)/Surplus after transfer from Building Fund, representing total comprehensive income for the year		(3,317)	180,659	(3,317)	180,659
Balance at beginning of year		1,661,928	1,481,269	1,725,795	1,545,136
Balance at end of year		1,658,611	1,661,928	1,722,478	1,725,795

See accompanying notes to financial statements.

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE AND ITS SUBSIDIARY

ZAKAT TRUST FUND
STATEMENTS OF INCOME AND EXPENDITURE
Year ended December 31, 2015

	Note	Group 2015	Group 2014	Association 2015	Association 2014
		$	$	$	$
INCOME					
Donations from individuals		3,740,731	3,775,547	3,740,731	3,775,547
Fidyah		122,395	86,968	122,395	86,968
Grant/donations from MUIS		328,951	284,491	328,951	284,491
Other income		41,508	39,656	41,508	39,656
Total income		4,233,585	4,186,662	4,233,585	4,186,662
EXPENDITURE					
Administrative charges		498,021	407,307	498,021	407,307
Central provident fund contributions		182,504	148,105	182,504	148,105
Converts' welfare		308,734	228,558	308,734	228,558
Da'wah		511,839	583,409	511,839	583,409
Loss on disposal of property, plant and equipment		8,861	762	8,861	762
Depreciation of property, plant and equipment	7	359,764	363,219	359,764	363,219
Financial aid/zakat distributions		1,177,222	1,189,495	1,177,222	1,189,495
Salaries		1,136,939	1,042,809	1,136,939	1,042,809
Zakat project		46,492	67,757	46,492	67,757
Total expenditure		4,230,376	4,031,421	4,230,376	4,031,421
Deficit of income over expenditure before transfer to Building Fund		3,209	155,241	3,209	155,241
Transfer to Building Fund	16	(80,000)	(80,000)	(80,000)	(80,000)
(Deficit)/Surplus after transfer to Building Fund, representing total comprehensive income for the year		(76,791)	75,241	(76,791)	75,241
Balance at beginning of year		4,574,763	4,499,522	4,510,896	4,435,655
Balance at end of year		4,497,972	4,574,763	4,434,105	4,510,896

See accompanying notes to financial statements.

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE
AND ITS SUBSIDIARY

BUILDING FUND
STATEMENTS OF INCOME AND EXPENDITURE
Year ended December 31, 2015

	Note	Group and Association 2015	2014
		$	$
INCOME			
Rental from investment properties	21	383,543	369,333
Gain on fair value adjustments of investment properties	8	-	300,000
Total income		383,543	669,333
EXPENDITURE			
Maintenance of building		29,822	29,822
Professional fees		15,490	705
Property tax		46,500	42,200
Administrative expenses		12,389	11,245
Loss on fair value adjustments of investment properties	8	300,000	-
Total expenditure		404,201	83,972
(Deficit)/Surplus of income over expenditure before transfer to General Fund and from Zakat Trust Fund		(20,658)	585,361
Transfer to General Fund	17	(140,000)	(140,000)
Transfer from Zakat Trust Fund	16	80,000	80,000
(Deficit)/Surplus after transfer to General Fund and from Zakat Trust Fund, representing Other comprehensive (loss) income for the year		(80,658)	525,361
Balance at beginning of year		36,324,188	35,798,827
Balance at end of year		36,243,530	36,324,188

See accompanying notes to financial statements.

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN FUNDS
Year ended December 31, 2015

	Group		Association	
	2015	2014	2015	2014
	$	$	$	$
Balance at beginning of year	42,560,879	41,779,618	42,560,879	41,779,618
(Deficit)/Surplus of income over expenditure from:				
General Fund	(3,317)	180,659	(3,317)	180,659
Zakat Trust Fund	(76,791)	75,241	(76,791)	75,241
Building Fund	(80,658)	525,361	(80,658)	525,361
Balance at end of year	42,400,113	42,560,879	42,400,113	42,560,879
Comprising:				
General Fund	1,658,611	1,661,928	1,722,478	1,725,795
Zakat Fund	4,497,972	4,574,763	4,434,105	4,510,896
Building Fund	36,243,530	36,324,188	36,243,530	36,324,188
	42,400,113	42,560,879	42,400,113	42,560,879

See accompanying notes to financial statements.

THE MUSLIM CONVERTS' ASSOCIATION OF SINGAPORE AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2015

	Group	
	2015	2014
	$	$
Operating activities		
General fund - (deficit)/surplus of income over expenditure	(3,317)	180,659
Zakat trust fund - (deficit)/surplus of income over expenditure	(76,791)	75,241
Building Fund - (deficit)/surplus of income over expenditure	(80,658)	525,361
	(160,766)	781,261
Adjustments for:		
Depreciation	378,697	382,335
Interest income	(206,194)	(158,994)
Proceeds from sales of share investment	-	(15,100)
Reversal of doubtful debts	(46,030)	-
Loss on fair value adjustments of investment shares	37,570	-
Loss on disposal of plant and equipment	10,426	802
Loss/(Gain) on fair value adjustments of investment properties	300,000	(300,000)
Operating surplus before working capital changes	313,703	690,304
Inventories	(14,492)	29,326
Trade receivables	59,580	(34,530)
Other receivables and prepayments	(122,165)	(20,918)
Other payables	90,507	(102,297)
Net cash from operating activities	327,133	561,885
Investing activities		
Interest received	206,194	158,994
Proceeds from sales of share investment	-	15,100
Purchase of property, plant and equipment	(449,301)	(300,758)
Investment in held-to-maturity financial asset (Note 10)	-	(4,000,000)
Purchase of held for trading investments	(110,200)	(212,857)
Net cash used in investing activities	(353,307)	(4,339,521)
Net decrease in cash and cash equivalents	(26,174)	(3,777,636)
Cash and cash equivalents at beginning of year	16,729,470	20,507,106
Cash and cash equivalents at end of year	16,703,296	16,729,470

Cash included in the statement of cash flows comprises the following:

Cash and bank balances	4,053,697	4,361,740
Fixed deposits (Note 10)	12,649,599	12,367,730
Total	16,703,296	16,729,470

See accompanying notes to financial statements.

1 GENERAL

The Muslim Converts' Association of Singapore (the "Association") is registered under the Societies Act, Cap. 311 and the Charities Act, Cap. 37 with its registered address and principal place of operations at 32 Onan Road, The Galaxy, Singapore 424484. The financial statements are expressed in Singapore dollars, which is the functional currency of the Association and the presentation currency for the consolidated financial statements.

The principal activities of the Association are to provide religious guidance and other assistance to its members.

The principal activities of the subsidiary are set out in Note 9 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position and General Fund statements of income and expenditure, Zakat Trust Fund statements of income and expenditure, Building Fund statements of income and expenditure and statement of changes in funds of the Association for the year ended December 31, 2015 were authorised for issue by the management on March 4, 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Societies Act, Charities Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities 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.

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2015, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

At the date of authorisation of these financial statements, the following new / revised FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not effective:

- FRS 109 *Financial Instruments* [1]
- FRS 115 *Revenue from Contract with Customers* [1]

[1] Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: identify the contracts with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisifies a performance obligation.

Under FRS 115, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods.

In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group is currently assessing the effects of FRS 115 and FRS 109 in the period of initial adoption.

Other than FRS 115 and FRS 109, management has considered and is of the view that the adoption of the amendments and improvements to FRSs that are issued as at date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements in the period of their initial adoption.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Association and subsidiary controlled by the Association. Control is achieved when the Association:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Association reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Association has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Association considers all relevant facts and circumstances in assessing whether or not the Association's voting rights in an investee are sufficient to give it power, including:

- The size of the Association's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- Potential voting rights held by the Company, other vote holders or other parties;

- Rights arising from other contractual arrangements; and

- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Association obtains control over the subsidiary and ceases when the Association loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of income and expenditure from the date the Association gains control until the date when the Association ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Association losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Association's financial statements, investment in subsidiary is carried at cost less any accumulated impairment in net recoverable value that has been recognised in the statements of income and expenditure.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest rate basis for debt instruments other than those financial instruments at "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments" and "trade and other receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition, it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Held-to-maturity investments

Structured deposits with determinable payments where the Group has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Subsequent to initial measurement, held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer of counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, 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 profit or loss 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.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

FUNDS - Funds are set up to account for contributions received for specific purposes.

Zakat Trust Fund

The objective of this Fund is to collect zakat from the public and to use the collections to fund programmes for zakat beneficiaries.

Building Fund

The building fund was established to collect donations to purchase the Group's and Association's building and includes profit from the sale of the old premises. Surplus funds are used for investment purposes.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate.

Property, plant and equipment purchased are capitalised and depreciated over their estimated useful lives. Depreciation is allocated between the General Fund and the Zakat Trust Fund.

Building maintenance for the Group's building is charged on a proportionate basis to the General Fund and the Zakat Trust Fund. Building maintenance for the investment properties acquired using the Building Fund, is charged directly to the Building Fund.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost, over their estimated useful lives, using the straight-line method, on the following bases:

	No. of Years
Building	50
Renovation	10
Furniture, fittings and office equipment	10
Computers	3

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of income and expenditure.

INVESTMENT PROPERTIES - Investment properties held to earn rentals and for capital appreciation are stated at periodic valuation on an open market value for existing use basis. Professional valuations are obtained annually. Gains or losses arising from changes in the fair value of investment property are included in the statement of income and expenditure for the period in which they arise.

IMPAIRMENT OF ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash- generating unit to which the asset belongs. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statements of income and expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statements of income and expenditure.

INVENTORIES - Inventories comprise religious books and audio CDs and are stated at the lower of cost (first-in first-out basis) and net realisable value. Net realisable value represents estimated selling price less all estimated costs to be incurred on marketing, selling and distribution.

PROVISIONS - Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

RECOGNITION OF INCOME

<u>Donations</u>

Donations are recorded when received.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Membership and subscription fees

Membership and subscription fees are accounted for on an accrual basis.

Sales and services income

Sales of books and cassettes are recognised when risks and rewards are transferred. Service income is recognised when services are rendered.

Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

GRANTS – Grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to statements of income and expenditure on a systematic and rational basis over the useful lives of the related assets.

Other grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of each reporting period.

LEASES - Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Rentals payable under operating leases are charged to the income and expenditure statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash and fixed deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives of property, plant and equipment

As described in Note 2, the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. In 2015, the useful lives of property, plant and equipment were estimated to be between 3 to 50 years.

Valuation of investment properties

Investment properties are stated at fair value based on independent professional valuations. In determining the fair value, the valuer has used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value include open market value for existing use.

The valuer has considered valuation technique which is the direct comparison method in arriving at the open market value as at the end of each reporting period. The direct comparison method involves the analysis of properties prices and adjusting the prices to that reflective of the Group's investment properties.

In relying on the valuation reports, management has exercised its judgement and is satisfied that the independent valuer has appropriate recognised professional qualifications and their estimates are reflective of current market conditions at the end of each reporting period. Please see Note 8 for the fair value of the investment properties at the end of each reporting period.

4 FINANCIAL RISKS AND MANAGEMENT

The Group manages its exposure to financial risks using a variety of techniques and instruments. It does not hold or issue derivative financial instruments for trading purposes.

The Group has established risk management policies and guidelines which set out its overall risk management strategies.

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Association	
	2015	2014	2015	2014
	$	$	$	$
Financial assets				
Loan and receivables (including cash and cash equivalents)	16,815,954	16,827,127	16,815,954	16,827,127
Held-to-maturity investments	5,000,000	5,000,000	5,000,000	5,000,000
Fair value through profit or loss - Held for trading	572,106	499,476	572,106	499,476
Financial liabilities				
Amortised cost	475,292	462,439	475,292	462,439

(b) *Financial risk management policies and objectives*

i) Credit risk

The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default. The Group places its cash and cash equivalents and held-to-maturity financial asset with reputable institutions.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Although the Group's credit exposure is concentrated mainly in Singapore, it has no significant concentration of credit risk with any single customer or group of customers.

The carrying amounts of trade and other receivables are disclosed in Notes 12 and 13 respectively.

ii) Interest rate risk

The Group does not have any significant exposure to interest rate risk as interest-bearing financial assets are substantially short-term and there are no interest-bearing financial liabilities at the end of the reporting period.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possibly changes to interest rates on interest bearing financial instruments at the end of the reporting period.

iii) Foreign currency risk

The Group's operations are transacted in Singapore dollars and, accordingly, there is no foreign currency risk.

iv) Liquidity risk

The Group maintains adequate highly liquid assets in the form of cash to assure necessary liquidity.

The Group's financial assets and liabilities are due or on demand within 1 year.

v) Equity price risk

The Group is exposed to equity risks arising from equity investments classified as held for trading.

If equity prices increases (decreases) by 10%, the Group's net surplus for the year ended December 31, 2015 increases (decreases) by $57,211 (2014 : $49,978).

(vi) Fair value of financial assets and financial liabilities

Group/Association

The Group determines fair values of various financial assets and financial liabilities in the following manner:

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input(s) used).

Financial assets/ financial liabilities	**Fair value as at (S$)**				**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value**
	2015		**2014**					
	Assets	**Liabilities**	**Assets**	**Liabilities**				
Held-for-trading investments (see Note 11)								
(1) Equity investment	572,106		499,476	-	Level 1	Quoted bid prices in an active market	N/A	N/A

Fair value of the financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The carrying amounts of cash and cash equivalents, fixed deposits and held-to-maturity financial asset, trade and other receivables and payables, and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

vii) Capital risk management policies and objectives

The Group reviews its capital structure at least annually to ensure that entities in the Group will be able to continue as a going concern. The capital structure of the Group consists of fund reserves. The Group's overall strategy remains unchanged from 2014.

5 RELATED COMPANY TRANSACTIONS

Related company in these financial statements refers to the subsidiary of the Association. The intercompany balances are unsecured, interest-free and without fixed repayment terms unless stated otherwise.

6 RELATED PARTY TRANSACTIONS

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, repayable on demand and interest-free.

Compensation of key management personnel

The remuneration of members of key management personnel during the year was as follows:

	Group and Association	
	2015	2014
	$	$
Short-term benefits	541,752	480,988
Post-employment benefits	75,733	62,643
	617,485	543,631

The remuneration of members of key management personnel refers to short-term and post-employment benefits received by 8 (2014 : 7) key staff members of the Group and Association. Members of the Executive Committee and Council did not receive any remuneration from the Group or Association during the year.

7 PROPERTY, PLANT AND EQUIPMENT

	Building	Renovation	Furniture, fittings and office equipment	Computers	Total
	$	$	$	$	$
Group					
Cost:					
At January 1, 2014	12,376,577	2,906,950	472,526	361,492	16,117,545
Additions	-	128,894	170,363	27,582	326,839
Disposals	-	(65,565)	(63,180)	(12,402)	(141,147)
At December 31, 2014	12,376,577	2,970,279	579,709	376,672	16,303,237
Additions	-	398,866	29,545	20,890	449,301
Disposals	-	(29,974)	(154,562)	(1,473)	(186,009)
At December 31, 2015	12,376,577	3,339,171	454,692	396,089	16,566,529
Accumulated depreciation:					
At January 1, 2014	4,085,004	2,341,446	380,856	305,027	7,112,333
Depreciation	243,870	62,043	27,503	48,919	382,335
Disposals	-	(65,565)	(62,378)	(12,402)	(140,345)
At December 31, 2014	4,328,874	2,337,924	345,981	341,544	7,354,323
Depreciation	243,870	82,861	30,661	21,305	378,697
Disposals	-	(23,256)	(150,854)	(1,473)	(175,583)
At December 31, 2015	4,572,744	2,397,529	225,788	361,376	7,557,437
Carrying amount:					
At December 31, 2015	7,803,833	941,642	228,904	34,713	9,009,092
At December 31, 2014	8,047,703	632,355	233,728	35,128	8,948,914

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NOTES TO FINANCIAL STATEMENTS
December 31, 2015

	Building	Renovation	Furniture, fittings and office equipment	Computers	Total
	$	$	$	$	$
Association					
Cost:					
At January 1, 2014	12,376,577	2,899,566	472,461	361,398	16,110,002
Additions	-	128,894	170,363	27,582	326,839
Disposals	-	(65,565)	(63,180)	(12,402)	(141,147)
At December 31, 2014	12,376,577	2,962,895	579,644	376,578	16,295,694
Additions	-	398,866	29,545	20,890	449,301
Disposals	-	(29,974)	(154,562)	(1,473)	(186,009)
At December 31, 2015	12,376,577	3,331,787	454,627	395,995	16,558,986
Accumulated depreciation:					
At January 1, 2014	4,085,004	2,334,063	380,790	304,933	7,104,790
Depreciation	243,870	62,043	27,503	48,919	382,335
Disposals	-	(65,565)	(62,378)	(12,402)	(140,345)
At December 31, 2014	4,328,874	2,330,541	345,915	341,450	7,346,780
Depreciation	243,870	82,861	30,661	21,305	378,697
Disposals	-	(23,256)	(150,854)	(1,473)	(175,583)
At December 31, 2015	4,572,744	2,390,146	225,722	361,282	7,549,894
Carrying amount:					
At December 31, 2015	7,803,833	941,641	228,905	34,713	9,009,092
At December 31, 2014	8,047,703	632,354	233,729	35,128	8,948,914

Description/Location	Tenure of land/ (Gross floor area)
Freehold building 32 Onan Road, The Galaxy, Singapore	Freehold (1,236 sq.m)

Depreciation charge for the year is allocated as follows:

	Group and Association	
	2015	2014
	$	$
Zakat Trust Fund	359,764	363,219
Expenditure for the Group (Note 19)	18,935	19,116
Total	378,699	382,335

8 INVESTMENT PROPERTIES

	Group and Association	
	2015	2014
	$	$
At fair value		
Balance at beginning of year	11,800,000	11,500,000
(Loss)/Gain on fair value adjustment included in statement of income and expenditure	(300,000)	300,000
Balance at end of year	11,500,000	11,800,000

i)

Location	Tenure of land/ (Gross floor area)	Fair value 2015	Fair value 2014	Description
		$	$	
#19-01 Suntec City Tower 1 7 Temasek Boulevard Singapore	99 years lease from May 28, 1999 (430 sq.m)	11,500,000	11,800,000	1 floor of commercial space
Total		11,500,000	11,800,000	

The Group's leasehold investment properties are stated at fair value based on a professional valuation carried out by Newman & Goh in January 2016 on the basis of open market value for existing use.

The leasehold property has been rented to certain tenants on normal commercial terms for periods of 2 years. The rental income earned by the Group and the Association from the investment properties, which are leased out under operating leases, amounted to $383,543 (2014 : $369,333). Direct operating expenses arising from the property in the year amounted to $104,201 (2014 : $83,972).

Fair value measurement of the Group's buildings

The fair value of the building was determined by adopting the direct comparison approach making reference to the recent transactions of similar properties in similar location and condition under the prevailing market conditions. The valuation conforms to International Valuation Standards. There has been no change to the valuation technique during the year.

The valuer has considered valuation technique which is the direct comparison method in arriving at the open market value as at the end of each reporting period. The direct comparison method involves the analysis of properties prices and adjusting the prices to that reflective of the Group's investment properties.

Management considers that certain unobservable inputs used in the fair value measurement of the Group's building are sensitive to the fair value measurement. A change in these inputs will have a corresponding increase/ decrease in the fair valuation as follows:

The significant unobservable inputs used in the fair value measurement of the building are price per floor area, age of property, whether property is held freehold and free of encumbrances, restrictions, or outgoings of an onerous nature. Significant increases (decreases) in these assumptions would result in a significantly higher (lower) fair value measurement.

Name of property	Fair value as at December 31, 2015	Valuation Methodology	Significant unobservable inputs (Level 3)	Range
	$'000			
#19-01 Suntec City Tower 1 7 Temasek Boulevard Singapore	11,500	Direct Comparison Method	Price per square metre of strata floor area	$2,480 - $3,000

Details of the Group's Investment Property and information about the fair value hierarchy as at December 31, 2014 and 2015 are as follows:

	Level 1	Level 2	Level 3	Fair value as at December 31, 2015
	$	$	$	$
Investment property units located in Suntec City	-	-	11,500,000	11,500,000

	Level 1	Level 2	Level 3	Fair value as at December 31, 2014
	$	$	$	$
Investment property units located in Suntec City	-	-	11,800,000	11,800,000

There were no transfers between respective levels during the year.

9 INVESTMENT IN SUBSIDIARY

	Association	
	2015	2014
	$	$
Unquoted equity shares, at cost	200,000	200,000
Impairment loss	(200,000)	(200,000)
	-	-

Amount due from subsidiary company	128,641	127,676
Allowance for doubtful debt	(128,641)	(127,676)
	-	-

Movement in the allowance for doubtful debts:

Balance at beginning of year	127,676	127,016
Allowance recognised in income and expenditure	965	660
Balance at end of the year	(128,641)	127,676

Name of subsidiary	Country of incorporation (or registration) and operation	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2015	2014	2015	2014	
		%	%	%	%	
Centre for Islamic Management Studies Pte Ltd *	Singapore	100	100	100	100	Provision for diploma level courses in Islamic and Management studies

* On January 1, 2012, the subsidiary transferred its assets to the Association and was dormant. The impact of the transfer was not material to the Group.

10 FIXED DEPOSITS AND HELD-TO-MATURITY FINANCIAL ASSET

	Group and Association	
	2015	2014
	$	$
Fixed deposits	12,649,599	12,367,730
Held-to-maturity financial asset	5,000,000	5,000,000
	17,649,599	17,367,730

Fixed deposits bear interest at a range of 1.45% to 1.90% (2014 : 0.35% to 0.95%) per annum and for a tenor of approximately 90 to 360 days (2014 : 90 to 180 days). Of the fixed deposits, $11,000,000 pertain to Islamic deposits placed with the bank while the remaining pertain to non-Islamic deposits. Fixed deposits are denominated in Singapore dollars.

Held-to-maturity financial asset refers to Commodity Murabahah Deposits placed in 2014, with principal and carrying amount of $1,000,000, $2,000,000 and $2,000,000 and maturity dates on March 10, 2016, November 4, 2016 and November 28, 2016 respectively. The held-to-maturity financial asset is denominated in Singapore dollars.

11 HELD FOR TRADING INVESTMENTS

	Group and Association	
	2015	2014
	$	$
Quoted equity shares, at fair value	572,106	499,476

The investments above include investments in quoted equity securities that are denominated in Singapore Dollars that offer the Group the opportunity for return through fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year. The Group classifies its held for trading investments fair value measurement using a fair value hierarchy of Level 1, which is based on the carrying amount of this investment which approximates the fair value.

12 TRADE RECEIVABLES

	Group and Association	
	2015	2014
	$	$
Trade receivables	135,989	222,499
Less: Allowance for doubtful debts	(92,910)	(165,870)
	43,079	56,629

The average credit period is 30 days (2014 : 30 days). No interest is charged on the outstanding trade receivables balance.

The Group's and Association's trade receivables are denominated in Singapore dollars.

The table below is an analysis of trade receivables as at December 31:

	Group and Association	
	2015	2014
	$	$
Past due but not impaired (i)	43,079	56,629
Impaired receivables - individually assessed (i), (ii)		
- Past due more than 36 months and no response to repayment demands	92,910	165,870
Less: Allowance for impairment	(92,910)	(165,870)
Total trade receivables, net	43,079	56,629
(i) Aging of receivables that are past due but not impaired		
< 3 months	42,079	56,629
6 months to 12 months	-	-
	42,079	56,629

(ii) These amounts are stated before any deduction for impairment losses.

(iii) These receivables are not secured by any collateral or credit enhancements.

	Group and Association	
	2015	2014
	$	$
Balance at beginning of the year	165,870	165,870
Written off during the year	(26,930)	-
Reversal of allowance recognised in income and expenditure	(46,030)	-
Balance at end of the year	92,910	165,870

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit allowances required in excess of the allowance for doubtful debts.

13 OTHER RECEIVABLES AND PREPAYMENTS

	Group and Association	
	2015	2014
	$	$
Deposits	23,370	23,380
Prepayments	162,458	65,784
Others	55,734	30,233
	241,562	119,397
Less: Allowance for doubtful debts	(9,525)	(9,525)
Total	232,037	109,872

Movement in the allowance for doubtful debts:

	Group and Association	
	2015	2014
	$	$
Balance at beginning and end of the year	9,525	9,525

The Group's and Association's other receivables and prepayments are denominated in Singapore dollars.

14 INVENTORIES

	Group and Association	
	2015	2014
	$	$
Books and audio CDs for re-sale	54,371	39,879

15 OTHER PAYABLES

	Group and Association	
	2015	2014
	$	$
Prepaid course fees	98,577	101,888
Deposits	112,961	112,961
Accrued expenses	339,301	320,478
Advance receipts	139,999	59,034
Others	23,030	29,000
Total	713,868	623,361

The Group's and Association's other payables are denominated in Singapore dollars.

16 TRANSFER FROM ZAKAT TRUST FUND TO BUILDING FUND

This represents a yearly transfer from the Zakat Trust Fund to the Building Fund, to better reflect the rental premium of programmes and activities held in the Association's building. The amount transferred for 2015 is $80,000 (2014 : $80,000).

17 TRANSFER FROM BUILDING FUND TO GENERAL FUND

This refers to a yearly transfer from the Building Fund to the General Fund for essential corporate services mandated by law or regulated by authorities. The quantum of transfer is at management's discretion.

18 INCOME

	Group and Association	
	2015	2014
	$	$
General donations	188,067	175,104
Interest income	206,194	158,994
Membership and subscription fees	21,261	21,653
Other income	39,488	46,871
Sales and service income	434,722	453,860
Total	889,732	856,482

19 EXPENDITURE

	Group		Association	
	2015	2014	2015	2014
	$	$	$	$
Administration charges	215,765	88,544	215,765	88,544
Auditors' remuneration	10,919	10,976	10,919	10,976
Central provident fund contributions	53,662	38,691	53,662	38,691
Cost of inventories recognised as an expense	91,118	112,910	91,118	112,910
Depreciation of propery, plant and equipment (Note 7)	18,935	19,116	18,935	19,116
Loss on disposal of plant and equipment	1,564	40	1,564	40
Members' welfare	32,722	34,695	32,722	34,695
Other operating expenses	197,127	209,107	196,162	208,477
Postage	635	510	635	510
Public relations	43,434	24,494	43,434	24,494
Salaries	328,363	276,740	328,363	276,740
Allowance amount due from company (Note 9)	-	-	965	630
Bad debts	1,235	-	1,235	-
Loss on fair value adjustments of investment shares	37,570	-	37,570	-
Total expenditure	1,033,049	815,823	1,033,049	815,823

20 INCOME TAX EXPENSE

The Association is registered under the Charities Act, 1982.

With effect from Year of Assessment 2008, all registered charities are automatically exempted from income taxes without having to meet the 80% requirement. Therefore, no tax provisions have been made in the current year.

Subject to the agreement of the Comptroller of Income Tax, the subsidiary has tax losses and unabsorbed capital allowances carryforward available for set off against future taxable income as follows:

	2015	2014
	$	$
Tax losses		
Amount at beginning of the year and end of the year	300,115	300,115
Deferred tax benefit on above not recorded	51,020	51,020

The realisation of the future income tax benefits from tax losses carryforwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined. No deferred tax asset has been recognised due to the unpredictability of future income streams of the subsidiary.

21 OPERATING LEASE ARRANGEMENT

The Group as lessor

The Group rents outs its investment properties in Singapore under operating leases. Property rental income earned during the year was $383,543 (2014 : $369,333).

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	Group	
	2015	2014
	$	$
Within one year	269,050	384,558
In the second to fifth years inclusive	174,842	101,575
	443,892	486,133

22 COMMITMENT

	Group and Association	
	2015	2014
	$	$
Commitment for acquisition of property, plant and equipment	18,499	102,958