

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
(UEN Number: S61SS0055K)  
(A Society Registered in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017  
TOGETHER WITH STATEMENT BY THE  
EXECUTIVE COUNCIL AND REPORT BY AUDITORS**

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
(UEN Number: S61SS0055K)  
(A Society Registered in the Republic of Singapore)

**CONTENTS**

	<b>Page</b>
<b>Statement by the Executive Council</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4-6</b>
<b>Statement of Financial Position</b>	<b>7</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	<b>8</b>
<b>Statement of Changes in Funds</b>	<b>9</b>
<b>Statement of Cash Flows</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11-41</b>
<b>Detailed Statement of Financial Position - By IPC / non-IPC activity</b> (This statement does not form part of the audited financial statements)	<b>42</b>
<b>Detailed Statement of Profit or Loss and General Fund Position – By IPC / non-IPC activity</b> (This statement does not form part of the audited financial statements)	<b>43</b>

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Statement by the Executive Council**  
**For the financial year ended 31 December 2017**

We, the Executive Council of **THE MUSLIM MISSIONARY SOCIETY, SINGAPORE** ("**Society**"), are responsible for the preparation of the accompanying financial statements that give a true and fair view in accordance with the provisions of the Singapore Societies Act (Cap. 311), the Singapore Charities Act (Cap. 37) and the Regulations enacted thereunder (together the "**Acts**"), the Society Constitution and Financial Reporting Standards in Singapore. This responsibility includes:


- (a) 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies;
- (c) making accounting estimates that are reasonable in the circumstances; and
- (d) assessing the risk of fraud and communicate to the Members of the Society on outcome of those assessments.

In our opinion,

- (a) the accompanying financial statements, together with the notes thereon, are properly drawn up so as to give a true and fair view of the financial position of the Society as at 31 December 2017 and of the financial performance, changes in funds and cash flows of the activities of the Society for the financial year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Executive Council authorised these financial statements for issue, on the date of this statement.

On behalf of the Executive Council,

  
.....  
MUHAMMAD RAFIUDDIN BIN ISMAIL  
Secretary General

  
.....  
SHAICK FAKRUDEEN S/O S.ALI  
Treasurer General

Singapore,

20 JUL 2018



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of **THE MUSLIM MISSIONARY SOCIETY, SINGAPORE, (also known as Jamiyah Singapore), ("Society")**, which comprise the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements of the Society are properly drawn up in accordance with the provisions of the Singapore Societies Act (Cap. 311), the Singapore Charities Act (Cap. 37) and the Regulations enacted thereunder (together the "Acts"), the Society's Constitution and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Society as at 31 December 2017, and of the financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

#### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

The Executive Council of the Society is responsible for the other information. The other information comprises the financial information about the Society included in the Society's Annual Report but does not include the financial statements and our auditor's report thereon. The Society's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Society's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Executive Council of the Society and take appropriate actions in accordance with SSAs.

RA

## Reanda Adept PAC

A Public Accounting Corporation with Limited Liability

Co Reg No: 200819324E

138 Cecil Street #06-01 Cecil Court Singapore 069538

Tel: 6323 1613 Fax: 6323 1763 www.reanda-adept.com.sg

Reanda is an international network of public accountants and consulting firms



**INDEPENDENT AUDITOR'S REPORT (Continued)**

To the Members of  
THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

*Responsibility of Management for the Financial Statements*

The Executive Council of the Society is responsible for the preparation of financial statements of the Society that give a true and fair view in accordance with the provisions of the Acts and FRSs, 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.

In preparing the financial statements, the Executive Council of the Society is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council of the Society either intends to cease the Society's operations, or has no realistic alternative but to do so.

The Society's Executive Council's responsibilities include overseeing the Society's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 Society's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Council of the Society regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Reanda Adept PAC**

A Public Accounting Corporation with Limited Liability

Co Reg No: 200819324E

138 Cecil Street #06-01 Cecil Court Singapore 069538

Tel: 6323 1613 Fax: 6323 1763 [www.reanda-adept.com.sg](http://www.reanda-adept.com.sg)

Reanda is an international network of public accountants and consulting firms

**INDEPENDENT AUDITOR'S REPORT (Continued)**

To the Members of  
THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

**Report on Other Legal and Regulatory Requirements**

In our opinion,

- (a) the accounting and other records required by the regulations enacted under the Singapore Societies Act (Cap. 311) to be kept by the Society have been properly kept in accordance with those regulations; and
- (b) the fund raising appeals held during the financial year ended 31 December 2017 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Singapore Societies Act (Cap 311) and proper accounts and other records have been kept of the fund raising appeals.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- (i) The Society has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institution of a Public Character) Regulations; and
- (ii) The use of donation monies was not in accordance with the objectives of the Society as required under regulation 11 of the Charities (Institution of a Public Character) Regulations.



**Reanda Adept PAC**  
Public Accountants and  
Chartered Accountants

Singapore,

20 July 2018

**Reanda Adept PAC**

A Public Accounting Corporation with Limited Liability

Co Reg No: 200819324E

138 Cecil Street #06-01 Cecil Court Singapore 069538

Tel: 6323 1613 Fax: 6323 1763 [www.reanda-adept.com.sg](http://www.reanda-adept.com.sg)

Reanda is an international network of public accountants and consulting firms

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Statement of Financial Position  
As at 31 December 2017

	Note	2017 S\$	2016 S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16,056,960	16,092,094
Investment property	5	6,483,016	6,556,657
Construction in progress	6	-	97,643
Amount due from related parties	7	349,632	762,527
		22,889,608	23,508,921
<b>Current assets</b>			
Inventories	8	328,163	-
Trade receivables	9	1,091,649	972,477
Deposits and other receivables	10	3,291,246	3,915,398
Cash and cash equivalents	11	26,402,698	24,150,595
		31,113,756	29,038,470
<b>Total assets</b>		<b>54,003,364</b>	<b>52,547,391</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
General fund		46,003,667	44,507,395
Restricted funds	12	1,853,442	2,129,193
Unrestricted funds	13	765,000	765,000
		48,622,109	47,401,588
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Capital grants	14	2,228,794	2,383,043
Finance lease liability	15	3,988	-
		2,232,782	2,383,043
<b>Current liabilities</b>			
Capital grants	14	586,911	561,691
Trade payables	16	987,747	741,781
Accruals and other payables	17	1,572,703	1,459,288
Finance lease liability	15	1,112	-
		3,148,473	2,762,760
<b>Total liabilities</b>		<b>5,381,255</b>	<b>5,145,803</b>
<b>Total funds and liabilities</b>		<b>54,003,364</b>	<b>52,547,391</b>

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

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the financial year ended 31 December 2017**

	Note	2017 S\$	2016 S\$
Income	18	27,782,992	28,010,114
Direct expenses	18	(5,131,201)	(4,080,874)
Staff costs	18	(13,110,543)	(12,424,425)
Other operating expenses	18	(8,044,976)	(9,569,165)
<b>Profit/(Loss) before tax</b>		<b>1,496,272</b>	<b>1,935,650</b>
Income tax expense	19	-	-
<b>Profit/(Loss) for the financial year</b>	20	<b>1,496,272</b>	<b>1,935,650</b>
Other comprehensive income: Movement in restricted funds	12	(275,751)	(41,256)
<b>Total comprehensive income for the financial year</b>		<b>1,220,521</b>	<b>1,894,394</b>

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



**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Statement of Changes in Funds**  
**For the financial year ended 31 December 2017**

	General Fund S\$	Restricted Funds S\$  (Note 12)	Unrestricted Funds S\$  (Note 13)	Total S\$
Balance as at 31 December 2015	42,571,745	2,170,449	765,000	45,507,194
Total comprehensive income for the financial year 2016	1,935,650	(41,256)	-	1,894,394
Balance as at 31 December 2016	44,507,395	2,129,193	765,000	47,401,588
Total comprehensive income for the financial year 2017	1,496,272	(275,751)	-	1,220,521
<b>Balance as at 31 December 2017</b>	<b>46,003,667</b>	<b>1,853,442</b>	<b>765,000</b>	<b>48,622,109</b>

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

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Statement of Cash Flows  
For the financial year ended 31 December 2017

	Note	2017 S\$	2016 S\$
<b>Cash flows from operating activities</b>			
General funds – Profit/(Loss) before tax		1,496,272	1,935,650
Movement in restricted and unrestricted funds		<u>(275,751)</u>	<u>(41,256)</u>
		1,220,521	1,894,394
Adjustments for:			
Depreciation on investment property	5	101,301	101,072
Depreciation on property, plant and equipment	4	1,336,479	1,347,556
Adjustment due to movement in construction in progress	6	34,788	-
Amortisation of capital grant		<u>(573,876)</u>	<u>(603,353)</u>
Interest income		<u>(129,470)</u>	<u>(132,874)</u>
<b>Operating cash flows before working capital changes</b>		1,989,743	2,606,795
Changes in working capital:			
Inventory		(328,163)	-
Capital grant received		444,847	734,832
Amount due from related parties		412,895	1,231,523
Trade receivables		(119,172)	(17,781)
Deposits and other receivables		624,152	(767,893)
Trade payables		245,966	(1,036,231)
Accruals and other payables		113,415	(1,263,925)
Grants received in advance		-	(88,063)
<b>Net cash generated from/(used in) operating activities</b>		<u>3,383,683</u>	<u>1,399,257</u>
<b>Cash flows from investing activities</b>			
Interest received		129,470	132,874
Purchase of property, plant and equipment		(1,238,490)	(1,285,698)
Addition to investment property	4	(27,660)	-
Addition to construction in progress		-	(97,643)
<b>Net cash generated from/(used in) investing activities</b>		<u>(1,131,580)</u>	<u>(1,250,467)</u>
<b>Cash flows from financing activities</b>			
Increase/(Decrease) in fixed deposits pledged		<u>(161)</u>	<u>17,835</u>
<b>Net cash generated from/(used in) financing activities</b>		<u>(161)</u>	<u>17,835</u>
<b>Net increase in cash and cash equivalents</b>		2,251,942	166,625
<b>Cash and cash equivalents</b>			
-at beginning of financial year		<u>23,825,808</u>	<u>23,659,183</u>
-at end of financial year	10	<u>26,077,750</u>	<u>23,825,808</u>

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

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

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

**1. Domicile and activities**

The Muslim Missionary Society, Singapore, also known as Jamiyah Singapore, ("Society") is registered under the Singapore Societies Act, Cap. 311 and is also a charity under the Singapore Charities Act, Cap. 37. The Society was accorded the Institution of Public Character ("IPC") status on 21 August 2001 which was renewed until 31 August 2015. On 27 November 2015, the activities of the Society regarded as having IPC character were separately registered as the IPC arm of the Society as the Muslim Missionary Society, Singapore- Jamiyah Welfare Fund ("JWF") with UEN Number: T15CC0003G. The IPC status of the JWF has been renewed from 1 December 2017 to 30 November 2018. The registered office of the Society is at 31 Lorong 12 Geylang, Singapore 399006.

The Society was established in 1932 under the name of All-Malaya Muslim Missionary Society with branches in several states of Malaysia. After 1965, the name of the Society was changed to The Muslim Missionary Society, Singapore (Also known as Jamiyah Singapore). The Society is governed by an Executive Council (EXCO) under the Constitution as registered with The Registrar of Societies.

The Executive Council members of the Society are appointed according to the Society's constitution.

The principal activities of the Society are to promote spiritual, social economic well-being of Muslims and fellows Singaporeans, promote education, provide welfare services for the benefit of the community irrespective of race or religion.

These activities include the following:

- a) Business School  
To conduct classes in business studies, accountancy, secretarial, marketing and information technology, workshops and training programmes on a variety of subjects for working adults.
- b) Childcare Centre  
To provide educational needs for the children of working mothers.
- c) Children's Home  
To provide accommodation, care and shelter to orphans, children of single parents, and children of drug detainees and education, sports, recreation and art activities to the Home's children.
- d) Halfway House  
To serve as a centre of rehabilitation for substance abusers. The programs provide effective social integration of drug detainees imparting various skills development training and religious courses.
- e) Home for the Aged  
This Home provides shelter, care, nursing and health needs to the destitute and aged.
- f) Nursing Home  
Caring of aged and sick, providing residential, medical, nursing care, psychological social and spiritual counselling.
- g) Student Care and Service Centres  
To conduct tuition classes for children in primary and early secondary levels of low - income families at subsidised rates.

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

**1. Domicile and activities (continued)**

h) Education Centre

To run religious, language, moral and academic classes for children, juveniles and adults.

i) Global Child Development Centre

To provide educational needs for the children of working mothers.

j) Kindergarten

To operate a kindergarten for children.

There have been no significance changes in the nature of these activities during the financial year.

As a result of the registration of the JWF (the IPC arm of the Society), except for the activities under the Business School, Education Centre and the Islamic Missionary activities, the rest of the activities are grouped under JWF.

**2. Basis of preparation**

a) **Statement of compliance**

The financial statements have been prepared in accordance with the provisions of the Singapore Charities Act, Singapore Societies Act, Financial Reporting Standards in Singapore ("FRSs") and the Society's Constitution.

b) **Basis of measurement**

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies that follow.

c) **Functional and presentation currency**

These financial statements are presented in Singapore Dollar (SGD or S\$) which is the Society's functional and presentation currency.

d) **Use of estimates and judgment**

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

*Judgments made in applying accounting policies*

In the process of applying the entity's accounting policies, management is of the opinion that there are no critical judgments (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

*Key sources of estimation uncertainty*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as discussed below:



THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

2. Basis of preparation (continued)

d) Use of estimates and judgment (continued)

*Depreciation*

The Society depreciates property, plant and equipment and investment property over their estimated useful lives, after taking into account their estimated residual values, if any, using straight line method. The estimated useful life reflects management's estimate of the periods that the Society intends to derive future economic benefits from the use of the Society's property, plant and equipment and investment property. The residual values reflect management's estimated amount that the Society would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

*Allowance for trade and other receivables*

The provision policy for doubtful debts of the Division is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in, assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Division were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

*Inventory valuation method*

Inventories are stated at the lower of cost and net realisable value. Management reviews the inventories to identify obsolete, slow-moving and defective inventories and any items with market selling price that is lower than its cost or its earlier recorded market value. Significant assumptions and judgments are required to determine the fair market value of Foodbank inventory items and the net realisable value of other inventory items based on the best available facts and circumstances, including but not limited to the inventories' physical condition, age of inventories, the proximate product expiry date or shelf life, their market selling prices and the estimated costs to be incurred for their sales. When management identifies items of inventory which have a market price that is lower than its carrying amount, management then estimates the amount of inventory loss as an allowance on inventory.

e) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year except that in the current financial year, the Society has adopted all the new and revised Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRSs and INT FRSs has not resulted in changes to the Society's accounting policies and has also no material effect on the amounts reported for the current or prior year's financial statements.

3. Significant accounting policies

The accounting policies set out in the following paragraphs have been applied consistently by the Society to both periods presented in these financial statements, except as explained in Note 2 (e) which addresses changes in accounting policies.

a) Property, plant and equipment

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

Cost includes purchase price and expenditure that is directly attributable to the acquisition of the asset.

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

**3. Significant accounting policies (continued)**

**a) Property, plant and equipment (continued)**

Depreciation is calculated on the straight line method over the estimated useful lives or annual rates as follows:

Leasehold properties	- 27 years/ 90 years
Freehold properties	- 100 years
Bedding and medical equipment	- 10 years
Computer equipment	- 10 years
Computer software	- 10 years
Furniture and fittings	- 10 years
Machinery and equipment	- 10 years
Motor vehicles	- 10 years
Renovation of premises	- 9 years/ 10 years

The residual values and useful lives of plant and equipment are reviewed and adjusted as appropriate at each reporting date.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

Assets acquired during the financial year are charged with depreciation as of the acquisition date. Depreciation is charged till the date of disposal for the year in which an asset is sold. Fully depreciated assets are retained on the financial statements until they are no longer in use.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the assets before the expenditure was made, will flow to the Society and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

**b) Investment property**

Investment property is property held either to earn rental income or capital appreciation or both. It does not include properties for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes.

Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Investment property is not revalued or measured at fair value subsequent to initial recognition.

Cost includes the purchase price and any directly attributable costs to the acquisition of the investment property such as legal and brokerage fees, property transfer taxes and other transaction costs. The cost of the freehold building under the investment property is depreciated using the straight line method at 2% per annum on its cost.

The costs of day-to-day servicing and maintenance of an investment property is recognised as expenses in the income statement in the period in which the costs are incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

c) Financial instruments (continued)

i) *Non-derivative financial assets*

The Society initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Society becomes a party to the contractual provisions of the instrument.

The Society derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Society is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Society has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Society classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Society's only non-derivative financial assets are loans and receivables.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise amount due from related party, trade receivables, deposits and other receivables and cash and cash equivalents.

*Cash and cash equivalents*

Cash and cash equivalents comprise fixed deposits, cash at bank and cash in hand.

ii) *Non-derivative financial liabilities*

The Society initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Society becomes a party to the contractual provisions of the instrument.

The Society derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Society has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

c) Financial instruments (continued)

ii) *Non-derivative financial liabilities (continued)*

The Society classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade payables, accruals and other payables.

d) Impairment

i) *Non-financial assets*

The carrying amounts of non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss. For the purpose of impairment testing of these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of the cash-generating-unit to which the asset belongs.

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. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease in equity/ funds.

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, 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 impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase in equity/ funds.

ii) *Non-derivative financial assets (including loans and receivables)*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of trade and other receivables is established when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment loss 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.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are collectively tested in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

Impairment losses in respect of trade and other receivables are reversed through profit or loss if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.



THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

e) Fund accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Society that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Society. Unrestricted funds are expendable at the discretion of the Executive Council in furtherance of the Society's objects.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

Funds received for specific purposes such as purchase of depreciable assets are taken to relevant restricted fund account. This relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds in respect of the asset acquired.

f) Funds

i) General Fund

This fund is to be used at the discretion of the Executive Council in furtherance of the Society's objects. As a result of the registration of the Jamiyah Welfare Fund ("JWF") (see Note 1), a certain portion of this fund was transferred internally to the JWF along with respective assets, liabilities, restricted and unrestricted funds as of 1 December 2015 with profit or loss from the activities of the IPC arm henceforth credited to the General Fund of JWF.

ii) Restricted Funds

*Building Fund (BF)*

The Building Fund is established from donations received from donors for the purpose of acquisition of the investment property.

*Cambodia Relief Fund (CRF)*

The Cambodia Relief Fund was established with amounts donated for the purpose of constructing wells and a mosque in Cambodia for the use of the local Muslim community for prayers and conduct of religious education relating to the Islamic Faith including the conduct of religious lectures and activities.

*Care and Share Grant (C&S)*

Care and Share is a national fund-raising and volunteerism movement led by the Ministry of Social and Family Development ("MSF") for the social service sector. It aims to recognise the contributions made by voluntary welfare organisations (VWOs) in the social service sector. Eligible donations raised between 1 December 2013 and 31 December 2016 by the Society will be matched dollar-for-dollar by MSF. The matched amount will go towards building the Society's capabilities and capacities.

*Corporate Development Grant (CD)*

Corporate Development Funding Scheme provides funding support to Voluntary Welfare Organisations (VWOs) to hire key qualified professionals in corporate functions such as strategic planning, finance, human resource and information technology.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

f) Funds (continued)

ii) Restricted Funds (continued)

*CST Grant (CST)*

Community Silver Trust ("CST") fund is a fund received from the Community Silver Trust managed by the Ministry of Health. Under the Grant, the Society receives a matching grant of one dollar for every dollar of donation raised by the Society. A certain portion of the grant is available to be used for recurrent operating uses whilst the remainder is restricted to expenditure to develop, expand and enhance the Society's services.

*SAE Fund (SAE)*

Salary Adjustment Exercise ("SAE") grant is from the Ministry of Health ("MOH"). Under the funding agreement, MOH funds the Division for the salary adjustment of qualifying care and support staffs at pre-determined rates with restriction imposed on the usage of residual funds after utilising for salary adjustments.

*Education Fund (EF)*

Education scholarship fund is a restricted fund for the purpose of meeting education expenses of the needy.

*Islamic Development Bank ("IDB") Education Trust (IDB)*

IDB Education Trust is a trust fund set up in 1991 with funds made available by the Islamic Development Bank, Jeddah, for the purpose of the Society administering a scholarship/loan scheme, free of interest, to support the education of Muslim students in Singapore.

*Lee Foundation Fund (LF)*

Lee foundation fund is restricted for use for education bursaries disbursed for the needy and disadvantaged students.

*The Maid and Nurse Aides Education and Training Fund (MANNA)*

The Maid and Nurse Aides Education and Training Fund (MANNA ETF) is a fund established by the Society to provide education and training to maids and nursing aides.

*Private Islamic Education Fund (PIEF)*

PIEF grant from Majlis Ugama Islam Singapura (MUIS) is a one-off funding. All funds received are to be disbursed to eligible students to financially assist them for Islamic education provided to them.

*SBL Bursary Donation (SBL)*

This fund was set up from funds received from the Singapore Buddhist Lodge ("SBL") for the disbursement of education bursaries for the needy and disadvantaged students.

*Yellow Ribbon Fund (YR)*

Yellow Ribbon Fund (YRF) is a fund received from Yellow Ribbon Fund in support of the Residential Aftercare Support Programme (RASP). Under the funding agreement, the funding is to be used for the purpose of the management and operation of RASP.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

f) Funds (continued)

ii) Restricted Funds (continued)

*NCSS*

This fund was set up from funds received from The National Council of Social Service to cover the cost of acquisition of motor vehicles for the Society.

*Jamiyah Foodbank (FB)*

Jamiyah Foodbank is a restricted fund that accounts for the food ration distribution programme that was officially launched in March 2017. Under the Foodbank, the food ration distribution programme that the Division was undertaking previously became an expanded activity when it rented a four-storey building to serve the society. The Society collects, sorts, stores and distributes donated food to poor and needy families.

iii) Unrestricted Funds

*King Faizal Education Fund*

The King Faizal Education Fund is established from donation received through the Royal Embassy of Saudi Arabia meant to advance the general objects of the Society.

g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

i) *Donations*

Donations are recognized in the income and expenditure statement on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

ii) *Government grants*

Grants from the Government to meet the Society's operating expenses are recognised as income to match the related operating expenditure. Government grants received for the acquisition of depreciable assets are taken to the Capital Grant Account in the statement of financial position and recognised as income by way of amortisation of the capital grant over the useful lives of the related assets to match the depreciation charged of those acquired assets.

iii) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method.

iv) *Fees income*

Fees income is recognised as income upon billings raised.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

h) Provisions

Provisions are recognised when the Society has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

i) Employee benefits

*Defined contribution plan*

As required by law, the Society makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

*Short-term employee benefits*

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

*Employee leave entitlement*

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

j) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

*Determining whether an arrangement contains a lease*

At inception of an arrangement, the Society determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- i) the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- ii) the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Society separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Society concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Society's incremental borrowing rate.



THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

k) Income tax

As a registered charity, the Society is exempt from income tax pursuant to Section 13(1)(zm) of the Income Tax Act, Chapter 134.

l) Related parties

An entity or individual is considered a related party of the Society for the purposes of the financial statements if:

- i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Society or vice versa;
- ii) it is subject to common control or common significant influence.

m) New or revised accounting standards and interpretations

The Society has not adopted the following standards and interpretations that have been issued but not yet effective:

Effective date (annual periods beginning on or after)	New or revised accounting standards and interpretations
1 Jan 2018	<ul style="list-style-type: none"> <li>· FRS 115 Revenue from Contracts with Customers</li> <li>· FRS 109 Financial Instruments</li> <li>· Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers</li> <li>· Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions</li> </ul>
1 Jan 2019	<ul style="list-style-type: none"> <li>· FRS 116: Leases</li> </ul>

Except for FRS 115, FRS 109 and FRS 116, management expects that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115, FRS 109 and FRS 116 is described below:

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. The core principle of FRS 115 is that revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new standard will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

3. Significant accounting policies (continued)

m) New or revised accounting standards and interpretations (continued)

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases which do not contain any purchase options. The new standard is effective for annual periods beginning on or after 1 January 2019.

Management is currently assessing the impact of the new standards and plans to adopt the new standards on their required effective date. At this stage, management is not able to estimate the impact of the new requirements on the Society's financial statements. Management will make a more detailed assessment of the impact over the next twelve months.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

4. Property, plant and equipment

2017	Leasehold property S\$	Freehold property S\$	Bedding and medical equipment S\$	Computer equipment S\$	Computer software S\$	Furniture and fittings S\$	Machinery and equipment S\$	Motor vehicles S\$	Renovation S\$	Total S\$
<u>Cost</u>										
Beginning of financial year	6,491,961	9,507,297	325,626	749,227	9,800	356,161	579,539	956,604	7,757,275	26,733,490
Transfer from construction progress (Note 6)	-	-	-	62,855	-	-	-	-	-	62,855
Additions	-	-	28,028	90,260	22,045	181,554	43,930	286,355	586,318	1,238,490
Disposals	-	-	-	-	-	-	-	(130,998)	-	(130,998)
End of financial year	6,491,961	9,507,297	353,654	902,342	31,845	537,715	623,469	1,111,961	8,343,593	27,903,837
<u>Accumulated Depreciation</u>										
Beginning of financial year	3,651,461	1,869,020	65,971	288,730	544	97,631	235,571	626,895	3,805,573	10,641,396
Charge for the financial year	240,443	95,073	32,563	69,570	4,980	44,859	52,514	77,267	719,210	1,336,479
Disposals	-	-	-	-	-	-	-	(130,998)	-	(130,998)
End of financial year	3,891,904	1,964,093	98,534	358,300	5,524	142,490	288,085	573,164	4,524,783	11,846,877
<u>Carrying Value</u>										
End of financial year	2,600,057	7,543,204	255,120	544,042	26,321	395,225	335,384	538,797	3,818,810	16,056,960

Charge for the financial year to Statement of Comprehensive Income – General fund (Note 18)  
Charge for the financial year to Building fund (Note 12)

S\$  
1,295,109  
41,370  
1,336,479

The carrying amount of office equipment under machinery and equipment held under finance lease as at end of the financial year was S\$ 4,963 (2016: S\$ Nil).



THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

4. Property, plant and equipment (continued)

Details of the freehold property held by the Society are as follows:

Location	Tenure	<u>At Cost</u>		<u>Carrying Value</u>	
		2017 S\$	2016 S\$	2017 S\$	2016 S\$
31 Lorong 12 Geylang Singapore 399006	Freehold	<u>9,507,297</u>	<u>9,507,297</u>	<u>7,543,204</u>	<u>7,638,277</u>

The freehold property is registered in the name of Abdul Karim Bin Maidin, Mohd Yusoff Abdul Wahid, Abu Bakar Bin Maidin, and Muniff Bin Mohd Shariff, former trustees of the Society, pending changes to be made at the Registry of Land Titles in regard to the appointment of three new trustees – Mr Abdul Malik Bin Abu Bakar, Dr H M Saleem, and Mr Mohamed Yunos Bin Mohamed Shariff, who were appointed on 12 October 2015 pursuant to the Extraordinary General Meeting of the Society of that date.

Details of the leasehold property held by the Society are as follows:

Location	Tenure	<u>At Cost</u>		<u>Carrying Value</u>	
		2017 S\$	2016 S\$	2017 S\$	2016 S\$
130 West Coast Drive Singapore 127444	Leasehold	<u>6,491,961</u>	<u>6,491,961</u>	<u>2,600,057</u>	<u>2,840,500</u>

The leasehold property comprises building cost incurred to construct a nursing home on a government granted leasehold land.

5. Investment property

	2017 S\$	2016 S\$
<u>Cost</u>		
Beginning of financial year	6,934,158	6,934,158
Addition during the year	<u>27,660</u>	-
End of financial year	<u>6,961,818</u>	<u>6,934,158</u>
<u>Accumulated Depreciation</u>		
Beginning of financial year	377,501	276,429
Charge for the year	<u>101,301</u>	<u>101,072</u>
End of financial year	<u>478,802</u>	<u>377,501</u>
<u>Carrying value</u>		
End of financial year	<u>6,483,016</u>	<u>6,556,657</u>
	2017 S\$	2016 S\$
<u>Depreciation charged for the year</u>		
Depreciation charged to general fund (Note 18)	96,236	96,018
Depreciation charged to building fund (Note 12)	<u>5,065</u>	<u>5,054</u>
Total depreciation charged	<u>101,301</u>	<u>101,072</u>

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

**5. Investment property (continued)**

Details of the investment property held by the Society are as follows:

Location	Tenure	At Cost		Carrying Value	
		2017 S\$	2016 S\$	2017 S\$	2016 S\$
34 Lorong 33 Geylang Singapore 387989	Freehold	6,961,818	6,934,158	6,483,016	6,556,657

The investment property is a 8 units residential apartment which is registered in the name of three new trustees – Mr Abdul Malik Bin Abu Bakar, Dr H M Saleem, and Mr Mohamed Yunos Bin Mohamed Shariff, who were appointed on 12 October 2015 pursuant to the Extraordinary Council General Meeting of the Society of that date.

The rental income recognised in profit & loss for the financial year ended 31 December 2017 from its investment property, which is leased out to a third party under an operating lease, is S\$248,000 (2016 – S\$252,000).

Direct operating expenses (including property tax and repairs and maintenance) recognised in profit & loss in respect of this rental-earning investment property is S\$25,518 (2016 - S\$17,880).

The fair value of the investment property was S\$8,160,000/- as based on an independent valuation report dated 22 March 2013 prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd. In the opinion of the management, the investment property is not impaired in value based on reference to caveats lodged during the financial year in respect of sales and purchase transactions of similar units in the vicinity of the investment property.

**6. Construction in progress**

	2017 S\$	2016 S\$
<u>Renovation works</u>		
At beginning of financial year	97,643	11,410
Additions during the year	-	97,643
Transferred to Property, plant and equipment (Note 4)	(62,855)	(11,410)
Transferred to operating expenses	(34,788)	
At end of financial year	-	97,643

Construction in progress of the two financial years comprise the following:

- (i) A contract for the renovation works of the dementia ward in the Nursing Home was awarded during the financial year in November 2015 with the works completed in 2016.
- (ii) Additions during the financial year 2016 relate to cost incurred towards the implementation of SAP software which were transferred to property, plant and equipment and other operating expenses during the current financial year.

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

**7. Amount due from related parties**

	2017 S\$	2016 S\$
Amount due from related parties	2,897,324	2,515,261
Less: impairment allowance for doubtful receivables		
At beginning of financial year	(1,752,734)	-
Charge for the financial year (Note 18)	(794,958)	(1,752,734)
At the end of financial year	(2,547,692)	(1,752,734)
	<u>349,632</u>	<u>762,527</u>

This amount due from the related parties is interest free, unsecured and is not repayable in the next 12 months.

**8. Inventories**

	2017 S\$	2016 S\$
<u>Statement of Financial Position:</u>		
Value of donated foodbank inventory items	297,621	-
Value of purchased foodbank inventory items	4,754	-
Finished goods		
(merchandise comprising uniforms, t-shirt, hat, prayer mat, Flyer holder and azan clock)	25,788	-
	<u>328,163</u>	<u>-</u>
Foodbank inventories recognised as an expense in Foodbank Restricted funds (Note 13)	324,278	-
Inventories recognised as an expense in direct expenses	81,703	-
	<u>405,981</u>	<u>-</u>

**9. Trade receivables**

	2017 S\$	2016 S\$
Third parties	1,721,002	1,332,222
Less: Allowance for impairment		
At the beginning of the financial year	(359,745)	-
Charge for the financial year (Note 18)	(269,608)	(359,745)
Written-off	-	-
At the end of the financial year	(629,353)	(359,745)
	<u>1,091,649</u>	<u>972,477</u>

Trade receivables comprise outstanding sums collectible from third parties. These are interest-free and unsecured, except to the extent secured by deposits received (Note 17).

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

**10. Deposits and other receivables**

	2017 S\$	2016 S\$
Deposits	276,100	226,705
Staff advance	11,358	40,201
Other receivables	<u>2,834,734</u>	<u>3,618,621</u>
	3,122,192	3,885,527
GST receivable	54,654	2,464
Prepayment	<u>114,400</u>	<u>27,407</u>
	<u><u>3,291,246</u></u>	<u><u>3,915,398</u></u>

Included in deposits for both financial years is a rental deposit sim of S\$58,272 paid to a third party on behalf of a related party. Other receivables include grant sums receivable of \$2,704,654 (2016: \$3,465,380).

**11. Cash and cash equivalents**

	2017 S\$	2016 S\$
Fixed deposits	14,222,097	15,298,871
Fixed deposits (pledged) #	324,948	324,787
Cash at banks	11,827,793	8,500,077
Cash in hand	<u>27,860</u>	<u>26,860</u>
Cash and cash equivalents as per statement of financial position	26,402,698	24,150,595
Less: Fixed deposits – pledged #	<u>(324,948)</u>	<u>(324,787)</u>
Cash and cash equivalents as per statement of cash flows	<u><u>26,077,750</u></u>	<u><u>23,825,808</u></u>

Fixed deposits bear average effective interest rates of between 0.05% and 1.95% (2016: 0.05% and 1.90%) per annum and for various tenures ranging from 30 days to 1 year (2016: 30 days to 1 year).

# These fixed deposits are pledged with banks for the purpose of procuring bank guarantees in favor of third parties (See Note 34 (a)).



**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

**12. Restricted funds**

	BF	CRF	C&S	CD	CST	SAE	EF	IDB	LF	MANNA	IE	SBL	YR	NCSS	FB	TOTAL
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
As at 31.12.2015	421,220	26,389	300,000	33,388	40,072	-	100,000	383,798	21,035	768,997	-	75,550	-	-	-	2,170,449
Grants received	-	-	1,725,000	333,386	-	615,818	-	-	-	-	17,100	-	23,760	67,000	-	2,782,064
Interest earned	-	-	-	-	-	-	-	-	-	2,002	-	-	-	-	-	2,002
Depreciation charged *	(46,424)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(46,424)
Appropriation to grants in Income Statement	-	-	(1,824,608)	(342,835)	-	(615,818)	-	(4,500)	-	(50)	-	-	-	-	-	(2,787,811)
Loans repaid by students	-	-	-	-	-	-	-	8,913	-	-	-	-	-	-	-	8,913
Movement for financial year	(46,424)	-	(99,608)	(9,449)	-	-	-	4,413	-	1,952	17,100	-	23,760	67,000	-	(41,256)
As at 31.12.2016	374,796	26,389	200,392	23,939	40,072	-	100,000	388,211	21,035	770,949	17,100	75,550	23,760	67,000	-	2,129,193
Grants received	-	-	-	449,006	67,761	532,527	-	-	-	-	-	-	-	-	-	1,049,294
Donations received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,530	99,530
Value of donated inventory items received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	557,030	557,030
Value of purchased inventory items distributed to beneficiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(64,868)	(64,868)
Value of donated inventory items distributed to beneficiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(227,315)	(227,315)
Stock loss of donated items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(32,094)	(32,094)
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(249,064)	(249,064)
Interest earned	-	-	-	-	-	-	-	-	-	1,257	-	-	-	-	-	1,257
Depreciation charged *	(46,435)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(46,435)
Appropriation to grants in Income Statement	-	-	(200,392)	(472,945)	-	(532,527)	-	(25)	-	-	-	-	-	-	-	(1,205,889)
Loans repaid by students	-	-	-	-	-	-	-	3,339	-	-	-	-	-	-	-	3,339
Funds appropriated to capital grants	-	-	-	-	(93,535)	-	-	-	-	-	-	-	-	(67,000)	-	(160,535)
Movement for financial year	(46,435)	-	(200,392)	(23,939)	(25,774)	-	-	3,314	-	1,257	-	-	-	(67,000)	83,219	(275,751)
As at 31.12.2017	328,361	26,389	-	-	14,298	-	100,000	391,525	21,035	772,206	17,100	75,550	23,760	-	83,219	1,853,442

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

12. Restricted funds (continued)

	2017 S\$	2016 S\$
Depreciation of renovation (from property, plant and equipment) charged (Note 4)	41,370	41,370
Depreciation of investment property charged (Note 5)	5,065	5,054
Depreciation charged *	<u>46,435</u>	<u>46,424</u>

13. Unrestricted funds

	2017 S\$	2016 S\$
King Faizal Education Fund	<u>765,000</u>	<u>765,000</u>

14. Capital grants

	2017 S\$	2016 S\$
At the beginning of the year	5,959,493	5,224,661
Capital grant received	<u>444,847</u>	<u>734,832</u>
	6,404,340	5,959,493
Less: Amortisation of capital grant	<u>(3,588,635)</u>	<u>(3,014,759)</u>
Carrying value, at the end of the year	<u>2,815,705</u>	<u>2,944,734</u>
Current liability	586,911	561,691
Non-current liability	<u>2,228,794</u>	<u>2,383,043</u>
	<u>2,815,705</u>	<u>2,944,734</u>

The movement of amortisation of capital grant is as follows:

Balance at the beginning of the year	3,014,759	2,411,406
Amortisation during the year	<u>573,876</u>	<u>603,353</u>
Balance at the end of the year	<u>3,588,635</u>	<u>3,014,759</u>

- (i) The Society received in 2007 a capital grant of \$914,465/- from Singapore Corporation of Rehabilitative Enterprises (SCORE), a statutory board under the Ministry of Home Affairs, towards incurring capital expenditure for renovation of the halfway house premises at 352 Pasir Panjang Road. This capital grant is amortised over a period of 10 years.
- (ii) The Society received a capital grant of \$3,413,136/- from the Ministry of Community Development, Youth and Sports in 2012 to fund the renovation works to the Children's Home's new premises at 15 Guillemard Crescent. In 2015, the Society received from the National Council of Social Service (NCSS) a capital grant of S\$19,394/- to fund the acquisition of certain machinery and equipment. These capital grants are amortised over a period of 9 years.
- (iii) In 2015, the Society became entitled to receive a capital grant of S\$79,910/- from the Early Childhood Development Agency ("ECDA") to fund the renovation works to the Centre's extension premises at Block 124 Ang Mo Kio Avenue 6, #01-4055, Singapore 560124. The capital grant is amortised over a period of 10 years.
- (iv) In 2015 and 2016, the Society received various capital grants to fund the purchase of equipments, towards cyclical maintenance renovation works and for set-up of the Senior Care Centre and the Dementia Ward at the Nursing Home. (Notes 4 & 6).
- (v) In 2016, the Society received from the President's Challenge S\$67,000 for acquiring a van and two ambulances that was recognised as a capital grant in 2017.

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

**14. Capital grants (continued)**

- (vi) The Society received a capital grant of S\$2,619 from the National Council of Social Service (NCSS) during the financial year to reimburse the purchase of laptops and software.
- (vii) During the year, the Society received a capital grant of S\$209,868/- from the Early Childhood Development Agency ("ECDA") to fund the renovation works and purchase of furniture and equipment for the new centre at Block 870A Tampines St 86 #01-10, Singapore 521870 and Block 871B Tampines St 86 #01-30, Singapore 522871

**15. Finance lease liability**

	Minimum lease payments 2017 S\$	Present value 2017 S\$
Not later than one financial year	1,271	1,112
Later than one financial year but not later than five financial years	4,556	3,988
	<u>5,827</u>	<u>5,100</u>
Less: Future finance charges	(727)	-
Present value of finance lease liability	<u>5,100</u>	<u>5,100</u>
	<b>2017</b>	
	<b>S\$</b>	
Representing lease liability:		
Current portion	1,112	
Non-current portion	<u>3,988</u>	
	<u>5,100</u>	

The effective interest rate of the finance lease liabilities at the reporting date is 2.85% (2016: Nil) per annum.

The net carrying amount of office equipment acquired under finance lease agreement is disclosed in Note 4.

The Society's obligations under finance lease is secured by the lessor's title to the leased asset.

**16. Trade payables**

	2017 S\$	2016 S\$
Third parties	488,755	741,781
Related parties	498,992	-
	<u>987,747</u>	<u>741,781</u>

**17. Accruals and other payables**

	2017 S\$	2016 S\$
Accruals	529,171	446,020
Deposits received	255,202	239,266
Medifunds payables	27,203	49,836
Fees received in advance	82,617	91,839
Amount due to Homes' residents	98,278	105,074
Other payables	559,513	428,626
	<u>1,551,984</u>	<u>1,360,661</u>
GST payable	20,719	98,627
	<u>1,572,703</u>	<u>1,459,288</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

18. Income, direct expenses, staff costs and other operating expenses

	Note	2017 S\$	2016 S\$
<b>Income:</b>			
Amortisation of capital grant		573,876	603,353
Donations received	35	7,399,167	7,751,171
Fees income		8,673,151	7,745,307
Fund raising – anniversary income		65,145	-
Fund raising - flag day		61,571	25,287
Grants received		9,058,114	10,024,521
Interest income		129,470	132,874
Management fees		793,000	840,000
Mosque collections		95,420	80,919
Other income		125,827	61,797
Projects/ events income		548,524	466,014
Rental income		248,000	252,000
Resident Pocket Money Income		11,242	13,154
Subscription fees received		485	2,178
Goods and services tax payable written back		-	11,539
		<u>27,782,992</u>	<u>28,010,114</u>
		2017 S\$	2016 S\$
<b>Direct expenses:</b>			
Direct expenses – residents'/students' meals, groceries, medical, transport costs and the like		<u>5,131,201</u>	<u>4,080,874</u>
<b>Staff costs:</b>			
Accommodation		-	26,000
Allowance		399,895	381,969
Bonus and ex-gratia		617,801	731,404
CPF, SDF and FWL		1,805,200	1,734,297
Lecturers expenses		305,432	314,640
Medical expenses		42,047	37,716
Salaries		9,078,703	8,417,508
Casual/General labour		13,824	40,300
Staff recreation expenses		857	6,183
Training and recruitment expenses		151,481	150,257
Volunteer allowances		1,000	-
Welfare - meals		648,193	567,287
Provision for leave pay		46,110	16,864
Total employee benefit expense		<u>13,110,543</u>	<u>12,424,425</u>

Included in total employee benefit expense is a total sum of S\$ 684,287 (2016: S\$761,144) comprising salary, bonus, ex-gratia, and CPF contributions paid in respect of key management personnel who are members of the Executive Council of the Society.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

18. Income, direct expenses, staff costs and other operating expenses (continued)

Other operating expenses:

	2017 S\$	2016 S\$
Advertisement and publicity	45,778	70,719
Audit fee – current year	191,758	159,950
Audit fee – prior year	13,100	61,613
Bank charges	44,984	43,560
Cable Television charges	2,214	2,214
Computer and other equipment maintenance	47,223	62,865
Consultancy fee	383,795	203,585
Depreciation on investment property	96,236	96,018
Depreciation on property, plant and equipment	1,295,107	1,306,186
Donation	40,987	15,800
Electricity and water	503,726	595,319
Entertainment and refreshment expenses	143,224	136,826
Exchange loss	815	-
Furniture and Fittings Expense	4,061	3,036
General meeting and other expenses	30,007	32,370
Goods and services tax	277,309	415,865
Hari Raya expenses	24,974	11,523
Housekeeping and cleaning	332,776	212,506
Impairment allowance for doubtful receivables (Note 7 and 9)	1,064,566	2,112,479
Insurance	113,010	161,264
Interest charges	66	-
IRO/Religious harmony expenses	-	1,821
Lease equipment rental	2,520	-
Lease photocopier rental	52,454	38,889
License fee	79,704	578
Management fees	793,000	840,000
Medical Equipment Expenses	-	116,720
Membership fees	72	351
Motor vehicle expenses	165,146	161,132
Newspaper and periodicals	4,247	4,049
Equipment expenses	71,971	79,868
Other receivable written off	4,672	-
Printing and stationery	145,993	115,235
Professional/ Accounting fees	3,972	146,667
Property tax	16,320	17,880
Publicity and liaison	45,266	31,016
Refreshments/ volunteer meals	20,008	18,704
Rent expenses	1,194,547	1,264,008
Repairs and maintenance	228,337	317,555
Service fees	20,488	39,231
Study grant	2,500	8,500
Sub-contracted labour	195,000	195,000
Subscription fee	48,770	-
Telephone, postage and fax	92,584	92,663
Transport and travelling charges	200,889	396,130
Upkeep of building maintenance	800	3,763
	<u>8,044,976</u>	<u>9,593,458</u>



THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

<b>23. Jamiyah Child Care Centre</b>		
	2017	2016
	S\$	S\$
Income	731,730	745,560
Less: Direct expenses	(144,852)	(130,103)
Less: Staff costs	(715,301)	(639,911)
Less: Other operating expenses	(243,735)	(250,824)
Profit /(Loss) for the financial year	<u>(372,158)</u>	<u>(275,278)</u>
<b>24. Jamiyah Children's Home</b>		
	2017	2016
	S\$	S\$
Income	1,990,540	2,347,475
Less: Direct expenses	(361,675)	(712,782)
Less: Staff costs	(1,304,858)	(1,495,244)
Less: Other operating expenses	(1,113,064)	(1,179,031)
Profit /(Loss) for the financial year	<u>(789,057)</u>	<u>(1,080,953)</u>
<b>25. Jamiyah Education Centre</b>		
	2017	2016
	S\$	S\$
Income	1,172,890	1,187,475
Less: Direct expenses	(260,188)	(106,319)
Less: Staff costs	(1,049,897)	(969,975)
Less: Other operating expenses	(787,930)	(837,492)
Profit /(Loss) for the financial year	<u>(925,125)</u>	<u>(726,311)</u>
<b>26. Jamiyah Halfway House</b>		
	2017	2016
	S\$	S\$
Income	2,702,088	1,687,803
Less: Direct expenses	(292,166)	(252,490)
Less: Staff costs	(785,296)	(668,780)
Less: Other operating expenses	(247,690)	(353,367)
Profit /(Loss) for the financial year	<u>1,376,936</u>	<u>413,166</u>
<b>27. Jamiyah Head Quarters</b>		
	2017	2016
	S\$	S\$
Income	9,311,307	10,811,943
Less: Direct expenses	(1,558,252)	(736,261)
Less: Staff costs	(3,304,276)	(2,988,641)
Less: Other operating expenses	(2,747,564)	(3,971,425)
Profit /(Loss) for the financial year	<u>1,701,215</u>	<u>3,115,616</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

28. Jamiyah Home For The Aged

	2017 S\$	2016 S\$
Income	2,662,455	3,071,112
Less: Direct expenses	(751,772)	(792,473)
Less: Staff costs	(1,307,473)	(1,218,276)
Less: Other operating expenses	(499,292)	(520,437)
Profit /(Loss) for the financial year	<u>103,918</u>	<u>539,926</u>

29. Jamiyah Nursing Home

	2017 S\$	2016 S\$
Income	8,345,136	7,425,810
Less: Direct expenses	(1,505,455)	(1,115,340)
Less: Staff costs	(3,596,480)	(3,776,387)
Less: Other operating expenses	(1,879,774)	(2,076,385)
Profit /(Loss) for the financial year	<u>1,363,427</u>	<u>457,698</u>

30. Jamiyah Student Care Centre

	2017 S\$	2016 S\$
Income	309,691	319,565
Less: Direct expenses	(123,531)	(125,938)
Less: Staff costs	(321,516)	(275,347)
Less: Other operating expenses	(205,749)	(166,152)
Profit /(Loss) for the financial year	<u>(341,105)</u>	<u>(247,872)</u>

31. Financial instruments and financial risk management

Financial instruments

Accounting classifications and fair values

*Fair values versus carrying amounts*

	Note	Loans and receivables S\$	Cash in hand S\$	Other financial liabilities S\$	Total Carrying amount S\$	Fair value * S\$
<u>2017</u>						
Amount due from related parties	7	349,632	-	-	349,632	-
Trade receivables	8	1,091,649	-	-	1,091,649	1,091,649
Deposits and other receivables	10	3,122,192	-	-	3,122,192	3,122,192
Cash and cash equivalents	11	26,374,838	27,860	-	26,402,708	26,402,708
		<u>30,938,311</u>	<u>27,860</u>	-	<u>30,966,181</u>	<u>30,616,549</u>
Trade payables	16	-	-	987,747	987,747	987,747
Accruals and other payables	17	-	-	1,551,984	1,551,984	1,551,984
		-	-	<u>2,539,731</u>	<u>2,539,731</u>	<u>2,539,731</u>



THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

31. Financial instruments and financial risk management (continued)

Financial instruments (continued)

Accounting classifications and fair values (continued)

*Fair values versus carrying amounts (continued)*

	Note	Loans and receivables S\$	Cash in hand S\$	Other financial liabilities S\$	Total Carrying amount S\$	Fair value * S\$
<u>2016</u>						
Amount due from related parties	7	762,527	-	-	765,527	-
Trade receivables	9	972,477	-	-	972,477	972,477
Deposits and other receivables	10	3,122,192	-	-	3,122,192	3,122,192
Cash and cash equivalents	11	24,123,735	26,860	-	24,150,595	24,150,595
		28,980,931	26,860	-	29,007,791	29,007,791
Trade payables	16	-	-	741,781	741,781	741,781
Accruals and other payables	17	-	-	1,360,661	1,360,661	1,360,661
		-	-	2,102,442	2,102,442	2,102,442

\* Refer to Note 32 as to how fair values have been determined.

Financial risk management

**Management objectives and policies**

The Society's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Society under its management.

**a) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rate and equity prices will affect the Society's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

*i) Foreign Exchange Risk*

The Society is not exposed significantly to risk associated with foreign currency exchange rate fluctuations as all bank balances are maintained in S\$ and transactions are substantially carried out in S\$.

*ii) Interest rate risk*

The Society's exposure to market risk for changes in interest rates relates to bank balances placed with licensed banks.

Interest rate details for fixed deposits have been disclosed in Note 11.

The only significant financial instruments that are subject to interest rate fluctuations are the fixed deposits.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

31. Financial instruments and financial risk management (continued)

Financial risk management (continued)

Management objectives and policies (continued)

a) Market risk (continued)

ii) Interest rate risk (continued)

Sensitivity analysis

A 50 basis point increase or decrease in the interest rates will increase or decrease respectively the profit of the Society by approximately S\$72,735 (2016: S\$78,118).

b) Credit risk

Credit risk is the risk of financial loss to the Society if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Society's amount due from related party, deposits and other receivables and bank balances.

As at the reporting date, the Society's maximum exposure to credit risk is as follows:

	2017 S\$	2016 S\$
Amount due from related parties	349,632	762,527
Trade receivables	1,091,649	972,477
Deposits and other receivables	3,122,192	3,885,527
Cash and cash equivalents	<u>26,374,838</u>	<u>24,123,735</u>
	<u>30,938,311</u>	<u>29,744,266</u>

c) Liquidity risk

The Society monitors and maintains a level of cash and bank balances deemed adequate by the Management to finance the Society's operations and to meet its obligations as they fall due.

All financial liabilities are due within one year.

32. Determination of fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. There are no differences between the fair values of the financial assets and financial liabilities and their respective carrying values as recorded in the statement of financial position due to their short-term nature or as disclosed in the notes specific to that asset or liability.

*Amount due from related parties*

The fair value of the non-current amount due from related parties has not been determined as the timing of the future cash flows cannot be estimated reasonably.

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

**33. Significant related party balances and transactions**

In addition to significant related party balances disclosed in Notes 7 and 16, and the disclosure of related party transactions in Note 18, the following transactions took place between the Society and related parties during the financial year at terms agreed between the parties:

Related party transactions shown in the accounts as	Type of relationship between the Society and the related parties	2017 S\$	2016 S\$
Management fees	Between headquarters and divisions of the Society	793,000	840,000
Direct expenses	Companies with common key management personnel	2,576,827	2,256,396
Consultancy fee	Companies with common key management personnel	112,500	-
Staff cost – staff meals	Companies with common key management personnel	645,793	507,775
Other operating expenses	Companies with common key management personnel	319,859	317,547
Rental paid on behalf of a related party	Companies with common key management personnel	349,632	374,106
		<u>2,558,815</u>	<u>1,774,403</u>

**34. Contingent liabilities and commitments**

- (a) As at the reporting date, the Society had contingent liabilities amounting to approximately S\$120,195 (2016: S\$179,910) in respect of bank guarantees issued in favour of third parties to guarantee the due performance of the Society, secured against pledged fixed deposits (Note 11).
- (b)(i) As at the reporting date, the Society was committed to making the following lease payments on its non-cancellable operating leases in relation to rental of equipment and premises.

	2017 S\$	2016 S\$
<b><u>Rental of premises</u></b>		
Within one year	1,849,010	999,356
Between two and five years	709,805	775,047
	<u>2,558,815</u>	<u>1,774,403</u>
<b><u>Equipment lease</u></b>		
Within one year	54,875	58,007
Between two and five years	135,547	156,211
	<u>190,422</u>	<u>214,218</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE  
Notes to the Financial Statements  
For the financial year ended 31 December 2017

34. Contingent liabilities and commitments (continued)

(b)(ii) As at the reporting date, the Society leased out its investment property (see Note 5). The future minimum lease receivables under non-cancellable leases is as follows:

	2017 S\$	2016 S\$
<u>Lease As Lessor</u>		
Within one year	240,000	168,000
Between two and five years	160,000	-
	<u>400,000</u>	<u>168,000</u>

(b)(iii) As at the reporting date, the Society entered into an agreement on behalf of a related party of the Society (see Note 9) and for a division of the Society in respect of non-cancellable operating leases in relation to rented premises. The future minimum lease payables under this non-cancellable lease is as follows:

	2017 S\$	2016 S\$
<u>Lease as Lessee</u>		
Within one year	762,125	762,125
Between two and five years	34,374	796,499
	<u>796,499</u>	<u>1,558,624</u>

(b)(iv) As at the reporting date, the Society was committed to making the following lease payments on its non-cancellable operating leases in relation to transportation services to be provided by a related party.

	2017 S\$	2016 S\$
<u>Transportation Services</u>		
Within one year	<u>96,000</u>	<u>127,336</u>

35. Tax exempt receipts

Tax exempt receipts were issued by the Society and its activity centers during the financial year for donations received amounting to S\$2,996,591 (2016: S\$3,030,972), which include those donations received by Giro and from the Society' staff members through monthly salary deductions.

**THE MUSLIM MISSIONARY SOCIETY, SINGAPORE**  
**Notes to the Financial Statements**  
**For the financial year ended 31 December 2017**

**36. Comparative information**

**Restatement of prior year figures due to Reclassifications**

Certain reclassifications have been made to the comparative information presented in these financial statements to conform with current year's presentations. These reclassifications do not have any impact on the financial results of the Fund. The reclassifications are as follows:

	As previously reported \$	Amount reclassified \$	As reclassified \$
<b>Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 December 2016</b>			
Direct expenses	(4,056,581)	(24,293)	(4,080,874)
Other operating expenses	(9,593,458)	24,293	(95,969,165)

**37. Authorisation of financial statements**

The financial statements of The Muslim Missionary Society, Singapore for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Executive Council of the Society on 20 July 2018.