

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 2018
TOGETHER WITH STATEMENT BY THE
EXECUTIVE COUNCIL AND REPORT BY AUDITORS**

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
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THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Statement by the Executive Council
For the financial year ended 31 December 2018

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 2018 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,


.....
DR H M SALEEM
Vice President I


.....
MUSTAFA DUMIDAE
Treasurer General

Singapore,

28 June 2019

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 2018, 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 2018, 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.

**Reanda Adept PAC**

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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 FRSSs, 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.

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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 2018 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,

28 June 2019

Reanda Adept PAC

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THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Statement of Financial Position
As at 31 December 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Non-current assets			
Property, plant and equipment	5	15,754,288	16,056,960
Investment property	6	6,381,392	6,483,016
Construction in progress	7	-	-
Amount due from related parties	8	364,025	349,632
		22,499,705	22,889,608
Current assets			
Inventories	9	147,785	328,163
Trade receivables	10	1,039,678	1,091,649
Deposits and other receivables	11	4,307,937	3,291,246
Cash and cash equivalents	12	26,555,414	26,402,698
		32,050,814	31,113,756
Total assets		54,550,519	54,003,364
FUNDS AND LIABILITIES			
Funds			
General fund		46,072,849	46,003,667
Restricted funds	13	1,635,170	1,853,442
Unrestricted funds	14	765,000	765,000
		48,473,019	48,622,109
LIABILITIES			
Non-current liabilities			
Capital grants	15	2,097,397	2,228,794
Finance lease liability	16	11,152	3,988
		2,108,549	2,232,782
Current liabilities			
Capital grants	15	646,362	586,911
Trade payables	17	931,926	987,747
Accruals and other payables	18	2,386,526	1,572,703
Finance lease liability	16	4,137	1,112
		3,968,951	3,148,473
Total liabilities		6,077,500	5,381,255
Total funds and liabilities		54,550,519	54,003,364

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 2018

	Note	2018 S\$	2017 S\$
Income	19	28,640,066	27,782,992
Direct expenses	19	(5,389,361)	(5,131,201)
Staff costs	19	(14,809,051)	(13,183,791)
Other operating expenses	19	(8,372,472)	(7,971,728)
Profit/(Loss) before tax		69,182	1,496,272
Income tax expense	20	-	-
Profit/(Loss) for the financial year	21	69,182	1,496,272
Other comprehensive income: Movement in restricted funds	13	(218,272)	(275,751)
Total comprehensive income/(loss) for the financial year		(149,090)	1,220,521

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 2018

	General Fund S\$	Restricted Funds S\$	Unrestricted Funds S\$	Total S\$
		(Note 13)	(Note 14)	
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
Balance as at 31 December 2017	46,003,667	1,853,442	765,000	48,622,109
Total comprehensive income for the financial year 2018	69,182	(218,272)	-	(149,090)
Balance as at 31 December 2018	46,072,849	1,635,170	765,000	48,473,019

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 2018

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
General funds – Profit/(Loss) before tax		69,182	1,496,272
Movement in restricted and unrestricted funds		<u>(218,272)</u>	<u>(275,751)</u>
		(149,090)	1,220,521
Adjustments for:			
Depreciation on investment property	6	101,624	101,301
Depreciation on property, plant and equipment	5	1,442,539	1,336,479
Adjustment due to movement in construction in progress	7	-	34,788
Amortisation of capital grant		(643,784)	(573,876)
Interest income		<u>(129,219)</u>	<u>(129,470)</u>
Operating cash flows before working capital changes		622,070	1,989,743
Changes in working capital:			
Inventory		180,378	(328,163)
Capital grant received	15	594,507	444,847
Adjustment of capital grant recognised	15	(22,669)	-
Amount due from related parties		(14,393)	412,895
Trade receivables		51,971	(119,172)
Deposits and other receivables		(1,016,691)	624,152
Trade payables		(55,821)	245,966
Accruals and other payables		<u>813,823</u>	<u>113,415</u>
Net cash generated from/(used in) operating activities		1,153,175	3,383,683
Cash flows from investing activities			
Interest received		129,219	129,470
Purchase of property, plant and equipment	A	(1,129,678)	(1,233,390)
Addition to investment property	5	-	(27,660)
Net cash generated from/(used in) investing activities		(1,000,459)	(1,131,580)
Cash flows from financing activities			
(Increase)/Decrease in fixed deposits pledged		(162)	(161)
Net cash generated from/(used in) financing activities		(162)	(161)
Net increase in cash and cash equivalents		152,554	2,251,942
Cash and cash equivalents			
-at beginning of the financial year		<u>26,077,750</u>	<u>23,825,808</u>
-at end of the financial year	12	<u>26,230,304</u>	<u>26,077,750</u>
Note A:			
Total additions to property, plant and equipment	5	1,139,867	1,238,490
Less: Finance lease liability	16	<u>(10,189)</u>	<u>(5,100)</u>
		<u>1,129,678</u>	<u>1,233,390</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 2018

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 2018 to 30 November 2019. 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 2018

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.

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.

There have been no significance changes in the nature of these activities during the financial year except that the Business School which has been dormant for a few years now has been ceased and no longer operates as a division of the Society.

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 judgement

The preparation of the financial statements in conformity with FRSs requires management to make judgements, 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.

Judgements 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 2018

2. Basis of preparation (continued)

d) Use of estimates and judgement (continued)

Depreciation

The Society depreciates plant and equipment 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 plant and equipment. 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.

Provision for expected credit losses (ECL) on trade receivables, deposits and other receivables and amount due from other divisions

The assessment of the correlation between historical observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The Society's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of trade receivables, deposits and other receivables and amount due from related parties at the end of the reporting period are disclosed in Notes 8, 10 and 11 to the financial statements.

3. Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and amended standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 January 2018. The adoption of these standards did not have any material effect on the financial performance or position of the Society, and the key changes are as follows:

FRS 109 Financial Instruments

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Society has adopted the new standard retrospectively from 1 January 2018, in line with the transition provision permitted under the standard. Comparatives for financial year ended 2017 are not restated and any difference between the carrying amounts at 31 December 2017 and 1 January 2018 is recognised in the opening retained earnings.

(a) Classification and measurement

Under FRS 109, financial instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Society's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Society's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on financial assets solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the Society.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

3. Adoption of new and amended standards and interpretations (continued)

(b) Impairment

The adoption of FRS 109 has fundamentally changed the Society's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Society to recognise an allowance for ECLs for all financial assets not held at FVPL.

The impairment requirements of FRS 109 did not have a significant impact to the Society.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Society adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Society elected to apply the standard to all contracts as at 1 January 2018.

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and related interpretations.

The adoption of FRS 115 did not have a significant impact to the Society.

4. 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 3 which addresses changes in accounting policies.

a) Financial instruments

These accounting policies are applied before 1 January 2018 under FRS 39:

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 MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

4. Significant accounting policies (continued)

a) Financial instruments (continued)

These accounting policies are applied before 1 January 2018 under FRS 39 (continued):

Non-derivative financial assets (continued)

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 parties, deposits, trade and other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand.

Impairment of non-derivative financial assets

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 2018

4. Significant accounting policies (continued)

a) Financial instruments (continued)

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of comprehensive income.

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in financial assets

Subsequent measurement of financial assets depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of financial assets are:

i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of comprehensive income when the assets are derecognised or impaired, and through amortisation process.

ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method which are recognised in statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from funds and reserves to statement of comprehensive income as a reclassification adjustment when the financial asset is de-recognised.

iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of comprehensive income in the period in which it arises.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

4. Significant accounting policies (continued)

a) Financial instruments (continued)

These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018 (continued):

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for financial assets is recognised in statement of comprehensive income.

Impairment

The Society recognises an allowance for expected credit losses (ECLs) for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since the initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

If the Society has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Society measure the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Society recognises an impairment gain or loss in statement of comprehensive income for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

b) Revenue recognition

These accounting policies are applied before the initial application date of FRS 115, 1 January 2018:

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.

(i) Donations

Donations are recognised 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.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

4. Significant accounting policies (continued)

b) Revenue recognition (continued)

These accounting policies are applied before the initial application date of FRS 115, 1 January 2018 (continued):

(iii) Interest income

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

(iv) Fees income

Fees income received are recorded as income upon billings raised.

These accounting policies are applied on and after the initial application date of FRS 115, 1 January 2018:

Revenue is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Society satisfies a performance obligation by transferring a promised goods or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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

(i) Donations

Donations are recognised 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.

Where donations are specified to cover an expenditure that must take place in a future accounting period or where it is subject to an obligation to be performed by the Society based on the directions of the donor, the extent of such donation is accounted for as a deferred income and recognised as a liability until the accounting period in which the Society has performed its obligations or expended the resources in performing its obligations.

(ii) Government grants

Grants from the Government to meet the Society's operating expenses are recognised as performance obligations are satisfied over time/ over the duration of the programmes and in the period in which the service is provided

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.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

4. Significant accounting policies (continued)

b) Revenue recognition (continued)

These accounting policies are applied on and after the initial application date of FRS 115, 1 January 2018 (continued):

(iv) Fees income

Fees income received are recognised as performance obligations are satisfied over time. Unearned income relating the service to be rendered in future periods are included in deferred income.

Revenue from other services are recognised when services are rendered over time.

c) Property, plant and equipment

Property, 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.

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.

d) 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.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

4. Significant accounting policies (continued)

d) Investment property (continued)

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.

e) Impairment of 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.

f) Financial instruments

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 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, and finance lease liability.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

4. Significant accounting policies (continued)

g) 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.

h) 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 2018

4. Significant accounting policies (continued)

h) 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 Society 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 (IEF)

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 2018

4. Significant accounting policies (continued)

h) 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 Society 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.

i) 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.

j) 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.

k) 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.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

4. Significant accounting policies (continued)

k) Lease payments (continued)

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.

l) 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.

m) 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.

n) Inventories

Inventories consist of (a) prayer mats, azan clock and flyer holders that are distributed to donors in appreciation of their donations, (b) uniforms, t-shirt and hat that are held for resale, and (c) foodbank inventory items that are purchased as well as received from donors and distributed to beneficiaries.

Inventories are stated at the lower of cost (determined on a first-in first-out basis) and net realisable value. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow-moving and defective inventories to adjust the carrying value of inventories to the lower of cost and net realisable value.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

4. Significant accounting policies (continued)

n) Inventories (continued)

Foodbank inventory items are valued at fair market value which is the value that the Fund estimates would have to pay in the open market for an equivalent item. Foodbank inventory items that are donated to the Fund are reflected as an increase in the value of foodbank inventories and accordingly under the Foodbank Restricted account as the value of donated foodbank inventory items received. Foodbank inventory items that are distributed under Foodbank operations to the needy beneficiaries are recorded as a reduction in the value of foodbank inventories and accordingly under the Foodbank Restricted account as an outflow of the value of distributed foodbank inventories. Foodbank inventory items that have a proximate product expiry date or shelf life such as perishables are not included in the valuation of foodbank inventories.

o) 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 2019	FRS 116: Leases

The nature of the impending change in accounting policy on adoption of FRS 116 is described below:

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 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 2018

5. Property, plant and equipment

<u>2018</u>	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>										
At beginning of the financial year	6,491,961	9,507,297	353,654	839,487	94,700	515,215	645,970	1,111,961	8,343,592	27,903,837
Additions	-	-	181,545	84,457	-	2,772	48,300	190,973	631,820	1,139,867
At end of the financial year	6,491,961	9,507,297	535,199	923,944	94,700	517,987	694,270	1,302,934	8,975,412	29,043,704
<u>Accumulated Depreciation</u>										
At beginning of the 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
Charge for the financial year	240,443	95,073	42,588	77,836	9,470	48,339	53,206	91,171	784,413	# 1,442,539
At end of the financial year	4,132,347	2,059,166	141,122	436,136	14,994	190,829	341,291	664,335	5,309,196	13,289,416
<u>Carrying Value</u>										
At end of the financial year	2,359,614	7,448,131	394,077	487,808	79,706	327,158	352,979	638,599	3,666,216	15,754,288

S\$
1,401,168
41,371

1,442,539

Charge for the financial year to Statement of Comprehensive Income – General fund (Note 19)
Charge for the financial year to Building fund (Note 13)

The carrying amount of office equipment under machinery and equipment and computer equipment held under finance lease as at end of the financial year was S\$13,603 (2017: S\$ 4,963).

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

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\$
Cost										
At beginning of the 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 in progress (Note 7)	-	-	-	-	62,855	-	-	-	-	62,855
Additions	-	-	28,028	90,260	22,045	159,054	66,431	286,355	586,317	1,238,490
Disposals	-	-	-	-	-	-	-	(130,998)	-	(130,998)
At end of the financial year	6,491,961	9,507,297	353,654	839,487	94,700	515,215	645,970	1,111,961	8,343,592	27,903,837
Accumulated Depreciation										
At beginning of the 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	42,984	54,389	77,267	719,210	1,336,479
Disposals	-	-	-	-	-	-	-	(130,998)	-	(130,998)
At end of the financial year	3,891,904	1,964,093	98,534	358,300	5,524	140,615	289,960	573,164	4,524,783	11,846,877
Carrying Value										
At end of the financial year	2,600,057	7,543,204	255,120	481,187	89,176	374,600	356,010	538,797	3,818,809	16,056,960

	2017
Charge for the financial year to Statement of Comprehensive Income -- General fund (Note 19)	S\$ 1,295,109
Charge for the financial year to Building fund (Note 13)	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 2018

5. 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>	
		2018 S\$	2017 S\$	2018 S\$	2017 S\$
31 Lorong 12 Geylang Singapore 399006	Freehold	<u>9,507,297</u>	<u>9,507,297</u>	<u>7,448,131</u>	<u>7,543,204</u>

The freehold property 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 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>	
		2018 S\$	2017 S\$	2018 S\$	2017 S\$
130 West Coast Drive Singapore 127444	Leasehold	<u>6,491,961</u>	<u>6,491,961</u>	<u>2,359,614</u>	<u>2,600,057</u>

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

6. Investment property

	2018 S\$	2017 S\$
<u>Cost</u>		
At beginning of the financial year	6,961,818	6,934,158
Addition during the year	-	27,660
At end of financial year	<u>6,961,818</u>	<u>6,961,818</u>
<u>Accumulated Depreciation</u>		
At beginning of the financial year	478,802	377,501
Charge for the year	101,624	101,301
At end of the financial year	<u>580,426</u>	<u>478,802</u>
<u>Carrying value</u>		
At end of the financial year	<u>6,381,392</u>	<u>6,483,016</u>
<u>Depreciation charged for the year</u>		
Depreciation charged to general fund (Note 19)	96,559	96,236
Depreciation charged to building fund (Note 13)	5,065	5,065
Total depreciation charged	<u>101,624</u>	<u>101,301</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

6. Investment property (continued)

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

Location	Tenure	At Cost		Carrying Value	
		2018 S\$	2017 S\$	2018 S\$	2017 S\$
34 Lorong 33 Geylang Singapore 387989	Freehold	<u>6,961,818</u>	<u>6,961,818</u>	<u>6,381,392</u>	<u>6,483,016</u>

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 and loss for the financial year ended 31 December 2018 from its investment property, which is leased out to a third party under an operating lease, is S\$240,000 (2017: S\$248,000).

Direct operating expenses (including property tax and repairs and maintenance) recognised in profit and loss in respect of this rental-earning investment property is S\$21,997 (2017: S\$25,518).

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.

7. Construction in progress

	2018 S\$	2017 S\$
At beginning of the financial year	-	97,643
Additions during the year	-	-
Transferred to property, plant and equipment (Note 5)	-	(62,855)
Transferred to operating expenses	-	(34,788)
At end of the financial year	<u>-</u>	<u>-</u>

Additions during the financial year 2016 related to cost incurred towards the implementation of SAP software which were transferred to property, plant and equipment and other operating expenses during the year 2017.

8. Amount due from related parties

	2018 S\$	2017 S\$
Amount due from related parties	3,255,833	2,891,808
Less: impairment allowance for doubtful receivables		
At beginning of the financial year	(2,542,176)	(1,752,734)
Charge for the financial year (Note 19)	(349,632)	(789,442)
At the end of the financial year	<u>(2,891,808)</u>	<u>(2,542,176)</u>
	<u>364,025</u>	<u>349,632</u>

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8. Amount due from related parties (continued)

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

9. Inventories

	2018 S\$	2017 S\$
<u>Statement of Financial Position:</u>		
Value of donated foodbank inventory items (including a stock adjustment of S\$9,915 for 2018)	114,486	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)	<u>33,299</u>	<u>25,788</u>
	<u>147,785</u>	<u>328,163</u>
Foodbank inventories recognised as an expense in Foodbank Restricted funds (Note 13)	1,481,901	324,278
Inventories recognised as an expense in direct expenses	<u>312,274</u>	<u>81,703</u>

10. Trade receivables

	2018 S\$	2017 S\$
Third parties	2,105,197	1,726,518
Less: Allowance for impairment		
At the beginning of the financial year	(634,869)	(359,745)
Charge for the financial year (Note 19)	(481,707)	(275,124)
Bad debts recovered	10,146	-
Bad debts written-off	40,911	-
At the end of the financial year	<u>(1,065,519)</u>	<u>(634,869)</u>
	<u>1,039,678</u>	<u>1,091,649</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 18).

11. Deposits and other receivables

	2018 S\$	2017 S\$
Deposits	386,431	276,100
Staff advance	1,222	11,358
Other receivables	<u>3,767,599</u>	<u>2,834,734</u>
	4,155,252	3,122,192
GST receivable	94,046	54,654
Prepayment	<u>58,639</u>	<u>114,400</u>
	<u>4,307,937</u>	<u>3,291,246</u>

Included in deposits for both financial years is a rental deposit sum of S\$58,272 paid to a third party on behalf of a related party (Note 8). Other receivables include grant receivable of S\$3,544,518 (2017: S\$2,704,654).

Other receivables for 2018 is stated net of an impairment allowance of S\$26,958.

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12. Cash and cash equivalents

	2018	2017
	S\$	S\$
Fixed deposits	10,945,288	14,222,097
Fixed deposits (pledged) #	325,110	324,948
Cash at banks	15,256,856	11,827,793
Cash in hand	28,160	27,860
Cash and cash equivalents as per statement of financial position	26,555,414	26,402,698
Less: Fixed deposits – pledged #	(325,110)	(324,948)
Cash and cash equivalents as per statement of cash flows	26,230,304	26,077,750

Fixed deposits bear average effective interest rates of between 0.05% and 1.63% (2017: 0.05% and 1.95%) per annum and for various tenures ranging from 30 days to 1 year (2017: 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 39 (a)).

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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	-	-	-	-	(93,536)	-	-	-	-	-	-	-	-	(67,000)	-	(160,536)
Movement for financial year	(46,435)	-	(200,392)	(23,939)	(25,775)	-	-	3,314	-	1,257	-	-	-	(67,000)	83,219	(275,751)
As at 31.12.2017	328,361	26,389	-	-	14,297	-	100,000	391,525	21,035	772,206	17,100	75,550	23,760	-	83,219	1,853,442

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13. Restricted funds (continued)

	BF	CRF	C&S	CD	CST	SAE	EF	IDB	LF	MANNA	IE	SBL	YR	NCSS	FB	TOTAL
2018	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
As at 31.12.2017	328,361	26,389	-	-	14,297	-	100,000	391,525	21,035	772,206	17,100	75,550	23,760	-	83,219	1,853,442
Grants received	-	-	585,000	-	316,651	-	-	-	-	-	-	-	-	-	-	901,651
Donations received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,762	25,762
Value of donated inventory items received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,284,107	1,284,107
Value of purchased inventory items distributed to beneficiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,270)	(19,270)
Value of donated inventory items distributed to beneficiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,462,631)	(1,462,631)
Stock loss of donated items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating expenses	-	-	-	-	-	-	-	(25)	-	-	-	-	-	-	(500,314)	(500,339)
Interest earned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charged *	(46,436)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(46,436)
Appropriation to grants in Income Statement	-	-	(122,809)	-	(280,947)	-	-	-	-	-	-	-	-	-	-	(403,756)
Loans repaid by students	-	-	-	-	-	-	-	2,640	-	-	-	-	-	-	-	2,640
Funds appropriated to capital grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement for financial year	(46,436)	-	462,191	-	35,704	-	-	2,615	-	-	-	-	-	-	(672,346)	(218,272)
As at 31.12.2018	281,925	26,389	462,191	-	50,001	-	100,000	394,140	21,035	772,206	17,100	75,550	23,760	-	(589,127)	1,635,170

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13. Restricted funds (continued)

	2018 S\$	2017 S\$
Depreciation of renovation (from property, plant and equipment) charged (Note 5)	41,371	41,370
Depreciation of investment property charged (Note 6)	5,065	5,065
Depreciation charged *	<u>46,436</u>	<u>46,435</u>

14. Unrestricted funds

	2018 S\$	2017 S\$
King Faizal Education Fund	<u>765,000</u>	<u>765,000</u>

15. Capital grants

	2018 S\$	2017 S\$
At the beginning of the year	6,404,340	5,959,493
Capital grant received	594,507	444,847
	<u>6,998,847</u>	<u>6,404,340</u>
Less:		
- Amortisation of capital grant	(3,317,954)	(3,588,635)
- Capital grant fully amortised	(914,465)	-
- Adjustment due to variation in capital grant recognised	(22,669)	-
	<u>(4,255,088)</u>	<u>(3,588,635)</u>
Carrying value, at the end of the year	<u>2,743,759</u>	<u>2,815,705</u>
Current liability	646,362	586,911
Non-current liability	2,097,397	2,228,794
	<u>2,743,759</u>	<u>2,815,705</u>

The movement of amortisation of capital grant is as follows:

Balance at the beginning of the year	3,588,635	3,014,759
Capital grant fully amortised	(914,465)	
Amortisation during the year	643,784	573,876
Balance at the end of the year	<u>3,317,954</u>	<u>3,588,635</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.

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15. Capital grants (continued)

- (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.
- (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.
- (vi) The Society received a capital grant of S\$2,619 from the National Council of Social Service (NCSS) during the financial year 2017 to reimburse the purchase of laptops and software.
- (vii) In 2017, 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. The capital grant is amortised over a period of 10 years.
- (viii) The Society received in 2018 a capital grant of S\$585,331/- from Singapore Corporation of Rehabilitative Enterprises (SCORE), a statutory board under the Ministry of Home Affairs, towards incurring capital expenditure for upgrading renovation works of the halfway house (see Note 5) premises at 352 Pasir Panjang Road. The capital grant is amortised over a period of 10 years.
- (ix) During the current financial year, the Fund received a capital grant of S\$ 9,176 from Healthcare Productivity Fund for acquiring certain equipment for the Nursing Home.

16. Finance lease liability

	Minimum lease payments 2018 S\$	Present value 2018 S\$	Minimum lease payments 2017 S\$	Present value 2017 S\$
Not later than one financial year	4,712	4,137	1,271	1,112
Later than one financial year but not later than five financial years	12,672	11,152	4,556	3,988
	<u>17,384</u>	<u>15,289</u>	<u>5,827</u>	<u>5,100</u>
Less: Future finance charges	(2,095)	-	(727)	-
Present value of finance lease liability	<u>15,289</u>	<u>15,289</u>	<u>5,100</u>	<u>5,100</u>
Representing lease liability:		2018 S\$		2017 S\$
Current portion		4,137		1,112
Non-current portion		<u>11,152</u>		<u>3,988</u>
		<u>15,289</u>		<u>5,100</u>

The effective interest rate of the finance lease liabilities at the reporting date was 2.70% to 2.85% (2017: 2.85%) per annum.

The net carrying amount of office equipment acquired under finance lease agreement is disclosed in Note 5.

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

17. Trade payables

	2018 S\$	2017 S\$
Third parties	336,649	488,755
Related parties	<u>595,277</u>	<u>498,992</u>
	<u>931,926</u>	<u>987,747</u>

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18. Accruals and other payables

	2018 S\$	2017 S\$
Accruals	543,081	529,171
Deposits and advances received	249,566	337,912
Deferred income	132,774	-
Medifund payables	35,457	27,203
Amount due to Homes' residents	115,850	98,278
Other payables	1,134,861	555,504
	<u>2,211,589</u>	<u>1,548,068</u>
GST payable	174,937	24,635
	<u>2,386,526</u>	<u>1,572,703</u>

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

	2018 S\$	2017 S\$
Income:		
Amortisation of capital grant	643,784	573,876
Donations received	7,859,788	7,399,167
Fees income	10,411,489	8,673,151
Fund raising – anniversary income	-	65,145
Fund raising - flag day	45,540	61,571
Fund raising – street collection	1,186,469	-
Grants received	6,766,364	9,058,114
Interest income	123,637	129,470
Management fees	828,000	793,000
Mosque collections	57,093	95,420
Other income	164,577	125,827
Projects/ events income	309,725	548,524
Rental income	240,000	248,000
Resident Pocket Money Income	3,600	11,242
Subscription fees received	-	485
	<u>28,640,066</u>	<u>27,782,992</u>

Disaggregation of Income

	2018 S\$	2017 S\$
<u>Type of service</u>		
Donation, Fundraising income & Other income	9,626,792	8,307,381
Rental income	240,000	248,000
Grants, Management fees, Fees income & Interest income	18,773,274	19,227,611
	<u>28,640,066</u>	<u>27,782,992</u>

Timing of transfer of service

	2018 S\$	2017 S\$
Over time	19,013,274	19,475,611
At a point in time	9,626,792	8,307,381
	<u>28,640,066</u>	<u>27,782,992</u>

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

	2018	2017
	S\$	S\$
Direct expenses:		
Direct expenses – residents'/students' meals, groceries, medical, transport costs and the like	<u>5,389,361</u>	<u>5,131,201</u>
 Staff costs:		
Accommodation	1,010	-
Allowance	565,776	399,895
Bonus and ex-gratia	706,338	617,801
Casual/General labour	224,744	13,824
CPF, SDF and FWL	1,974,215	1,805,200
Insurance	103,016	73,248
Lecturers expenses	259,443	305,432
Medical expenses	36,985	42,047
Salaries	10,058,939	9,078,703
Staff recreation expenses	-	857
Training and recruitment expenses	147,292	151,481
Volunteer allowances	-	1,000
Welfare - meals	708,579	648,193
Provision for leave pay	13,016	46,110
Travelling expenses	9,698	-
Total employee benefit expense	<u>14,809,051</u>	<u>13,183,791</u>

Included in total employee benefit expense is a total sum of S\$ 806,661 (2017: S\$684,287) 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.

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

Other operating expenses:

	2018	2017
	S\$	S\$
Advertisement and publicity	62,606	45,778
Audit fee – current year	217,350	191,758
Audit fee – prior year	35,996	13,100
Bad debts written off	7,576	4,672
Bank charges	51,336	44,984
Cable Television charges	-	2,214
Computer expenses	105,818	-
Computer and other equipment maintenance	61,441	47,223
Consultancy fee	314,776	383,795
Depreciation on investment property	96,559	96,236
Depreciation on property, plant and equipment	1,401,167	1,295,107
Donation	14,112	40,987
Electricity and water	507,019	503,726
Entertainment and refreshment expenses	126,505	143,224
Event and project expenses	70,138	-
Exchange loss	10,850	815
Equipment expenses	76,201	71,971
Furniture and Fittings Expense	-	4,061
General meeting and other expenses	32,305	30,007
Goods and services tax	482,815	277,309
Hari Raya expenses	-	24,974
Housekeeping and cleaning	412,547	332,776
Impairment allowance for doubtful receivables (Notes 8, 10 and 11)	858,297	1,064,566
Insurance	33,466	39,762
Interest charges	298	66
IRO/Religious harmony expenses	-	-
Landscaping expenses	12,123	-
Lease equipment rental	-	2,520
Lease photocopier rental	75,986	52,454
License fee	22,461	79,704
Management fees	828,000	793,000
Membership fees	-	72
Motor vehicle expenses	176,680	165,146
Newspaper and periodicals	2,701	4,247
Photography expenses	3,479	-
Printing and stationery	281,462	145,993
Professional/ Accounting fees	58,797	3,972
Property tax	15,271	16,320
Publicity and liaison	-	45,266
Recreational activities	9,592	-
Refreshments/ volunteer meals	-	20,008
Rent expenses	1,384,142	1,194,547
Repairs and maintenance	145,502	228,337
Service fees	-	20,488
Strategic planning exercise	8,474	-
Study grant	-	2,500
Student graduation expenses	2,647	-
Sub-contracted labour	-	195,000
Subscription fee	16,257	48,770
Telephone, postage and fax	86,364	92,584
Transport and travelling charges	184,903	200,889
Upkeep of building maintenance	78,453	800
	<u>8,372,472</u>	<u>7,971,728</u>

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

Included in other operating expenses are the following paid to /for key management personnel who are members of the Executive Council of the Society:

	2018 S\$	2017 S\$
General meeting and other expenses	-	15,805
Professional/ Accounting fees	14,120	-
Motor vehicle expenses	9,918	2,459
Service fees	-	15,000
	<u> </u>	<u> </u>

20. Income tax

As the Society is exempt from income tax, pursuant to Section 13 (1) (zm) of the Income Tax Act, Cap. 134, the Society's income is not subject to any tax.

21. Profit / (loss) for the financial year from operating activities

		2018 S\$	2017 S\$
	<u>Note</u>		
Global Child Development Centre – Woodlands Centre	22	(245,698)	(109,246)
Global Child Development Centre – Tampines Centre	23	(370,786)	(510,849)
Jamiyah Business School	24	-	(1,684)
Jamiyah Child Care Centre	25	(380,466)	(372,158)
Jamiyah Children's Home	26	(609,096)	(789,057)
Jamiyah Education Centre	27	(747,359)	(668,105)
Jamiyah Kindergarten	28	(346,048)	(257,020)
Jamiyah Halfway House	29	38,313	1,376,936
Jamiyah Head Quarters	30	2,493,515	1,701,215
Jamiyah Home for the Aged	31	(214,100)	103,918
Jamiyah Nursing Home	32	772,384	1,363,427
Clementi Student Care Centre	33	(130,465)	(120,440)
Rivervale Student Care Centre	34	(120,940)	(116,833)
West Coast Student Care Centre	35	(70,072)	(103,832)
Profit/(Loss) for the financial year		<u>69,182</u>	<u>1,496,272</u>

22. Global Child Development Centre – Woodlands Centre

	2018 S\$	2017 S\$
Income	379,306	423,157
Less: Direct expenses	(85,237)	(60,211)
Less: Staff costs	(385,798)	(320,648)
Less: Other operating expenses	(153,969)	(151,544)
Profit/(Loss) for the financial year	<u>(245,698)</u>	<u>(109,246)</u>

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23. Global Child Development Centre – Tampines Centre

	2018 S\$	2017 S\$
Income	812,992	132,486
Less: Direct expenses	(125,941)	(73,099)
Less: Staff costs	(777,045)	(408,309)
Less: Other operating expenses	(280,792)	(161,927)
Profit /(Loss) for the financial year	<u>(370,786)</u>	<u>(510,849)</u>

24. Jamiyah Business School

	2018 S\$	2017 S\$
Income	-	1,512
Less: Other operating expenses	-	(3,196)
Profit /(Loss) for the financial year	<u>-</u>	<u>(1,684)</u>

25. Jamiyah Child Care Centre

	2018 S\$	2017 S\$
Income	770,844	731,730
Less: Direct expenses	(195,791)	(144,852)
Less: Staff costs	(696,469)	(720,601)
Less: Other operating expenses	(259,050)	(238,435)
Profit /(Loss) for the financial year	<u>(380,466)</u>	<u>(372,158)</u>

26. Jamiyah Children's Home

	2018 S\$	2017 S\$
Income	1,825,002	1,990,540
Less: Direct expenses	(271,054)	(361,675)
Less: Staff costs	(1,113,097)	(1,314,498)
Less: Other operating expenses	(1,049,947)	(1,103,424)
Profit /(Loss) for the financial year	<u>(609,096)</u>	<u>(789,057)</u>

27. Jamiyah Education Centre

	2018 S\$	2017 S\$
Income	636,279	703,309
Less: Direct expenses	(87,759)	(90,979)
Less: Staff costs	(659,271)	(631,199)
Less: Other operating expenses	(636,608)	(649,236)
Profit /(Loss) for the financial year	<u>(747,359)</u>	<u>(668,105)</u>

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28. Jamiyah Kindergarten

	2018	2017
	S\$	S\$
Income	495,875	469,581
Less: Direct expenses	(222,525)	(169,209)
Less: Staff costs	(450,456)	(418,698)
Less: Other operating expenses	(168,942)	(138,694)
Profit /(Loss) for the financial year	<u>(346,048)</u>	<u>(257,020)</u>

29. Jamiyah Halfway House

	2018	2017
	S\$	S\$
Income	1,767,928	2,702,088
Less: Direct expenses	(280,986)	(292,166)
Less: Staff costs	(984,372)	(785,296)
Less: Other operating expenses	(464,257)	(247,690)
Profit /(Loss) for the financial year	<u>38,313</u>	<u>1,376,936</u>

30. Jamiyah Head Quarters

	2018	2017
	S\$	S\$
Income	10,401,225	9,311,307
Less: Direct expenses	(1,703,506)	(1,558,252)
Less: Staff costs	(3,649,289)	(3,304,276)
Less: Other operating expenses	(2,554,915)	(2,747,564)
Profit /(Loss) for the financial year	<u>2,493,515</u>	<u>1,701,215</u>

31. Jamiyah Home For The Aged

	2018	2017
	S\$	S\$
Income	2,347,892	2,662,455
Less: Direct expenses	(609,296)	(751,772)
Less: Staff costs	(1,490,627)	(1,307,473)
Less: Other operating expenses	(462,069)	(499,292)
Profit /(Loss) for the financial year	<u>(214,100)</u>	<u>103,918</u>

32. Jamiyah Nursing Home

	2018	2017
	S\$	S\$
Income	8,957,956	8,345,136
Less: Direct expenses	(1,700,881)	(1,505,455)
Less: Staff costs	(4,322,922)	(3,596,480)
Less: Other operating expenses	(2,161,769)	(1,879,774)
Profit /(Loss) for the financial year	<u>772,384</u>	<u>1,363,427</u>

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33. Clementi Student Care Centre

	2018 S\$	2017 S\$
Income	52,152	83,591
Less: Direct expenses	(23,895)	(27,660)
Less: Staff costs	(91,802)	(104,888)
Less: Other operating expenses	(66,920)	(71,483)
Profit /(Loss) for the financial year	<u>(130,465)</u>	<u>(120,440)</u>

34. Rivervale Student Care Centre

	2018 S\$	2017 S\$
Income	192,615	226,100
Less: Direct expenses	(82,371)	(95,392)
Less: Staff costs	(166,856)	(186,081)
Less: Other operating expenses	(64,328)	(61,460)
Profit /(Loss) for the financial year	<u>(120,940)</u>	<u>(116,833)</u>

35. West Coast Student Care Centre

	2018 S\$	2017 S\$
Income	-	-
Less: Direct expenses	(119)	(477)
Less: Staff costs	(21,047)	(33,159)
Less: Other operating expenses	(48,906)	(70,196)
Profit /(Loss) for the financial year	<u>(70,072)</u>	<u>(103,832)</u>

36. Financial instruments and financial risk management

Financial instruments

Accounting classifications and fair values

Fair values versus carrying amounts

	Note	Financial assets at amortised cost S\$	Financial liabilities at amortised cost S\$	Non- financial instruments S\$	Total* S\$
<u>2018</u>					
Amount due from related parties	8	364,025	-	-	-
Trade receivables	10	1,039,678	-	-	1,039,688
Deposits and other receivables	11	4,155,252	-	152,685	4,307,937
Cash and cash equivalents	12	26,555,414	-	-	26,555,426
		<u>32,114,369</u>	<u>-</u>	<u>152,685</u>	<u>31,903,051</u>
Trade payables	17	931,362	-	-	931,379
Accruals and other payables	18	2,211,589	-	174,937	2,386,526
Finance lease liability	16	15,289	-	-	15,289
		<u>3,158,240</u>	<u>-</u>	<u>174,937</u>	<u>3,333,194</u>

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36. Financial instruments and financial risk management (continued)

Financial instruments (continued)

Accounting classifications and fair values (continued)

Fair values versus carrying amounts (continued)

	<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Cash in hand</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total Carrying amount</u> S\$	<u>Fair value *</u> S\$
<u>2017</u>						
Amount due from related parties	8	349,632	-	-	349,632	-
Trade receivables	10	1,091,649	-	-	1,091,649	1,091,649
Deposits and other receivables	11	3,122,192	-	-	3,122,192	3,122,192
Cash and cash equivalents	12	26,374,838	27,860	-	26,402,698	26,402,698
		30,938,311	27,860	-	30,966,171	30,616,539
Trade payables	17	-	-	987,747	987,747	987,747
Accruals and other payables	18	-	-	1,548,068	1,548,068	1,548,068
Finance lease liability	16	-	-	5,100	5,100	5,100
		-	-	2,540,915	2,540,915	2,540,915

* Refer to Note 37 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 12.

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

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Notes to the Financial Statements
For the financial year ended 31 December 2018

36. 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\$ 56,352 (2017: S\$72,735).

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 deposits and other receivables and amount due from other divisions.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The table below details the credit quality of the Society's financial assets, as well as maximum exposure to credit risk:

	Note	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
As at 31 December 2018					
Amount due from related parties		12-month ECL			
Trade receivables	8		3,255,833	(2,891,808)	364,025
	10	Lifetime ECL	2,105,197	(1,065,519)	1,039,678
Deposits and other receivables	11	12-month ECL	4,334,895	(26,958)	4,307,937
			<u>9,695,925</u>	<u>(3,984,285)</u>	<u>5,711,640</u>

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Notes to the Financial Statements
For the financial year ended 31 December 2018

36. Financial instruments and financial risk management (continued)

Financial risk management (continued)

b) Credit risk (continued)

	Note	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
As at 1 January 2018					
Trade receivables	10	Lifetime ECL	1,726,518	(634,869)	1,091,649
Deposits and other receivables	11	12-month ECL	3,291,246	-	3,291,246
Amount due from related parties	8	12-month ECL	2,891,808	(2,542,176)	349,632
			<u>7,909,572</u>	<u>(3,177,045)</u>	<u>4,732,527</u>

Exposure to credit risk

The Society's exposure to credit risk is limited to the amount owing under trade receivables and deposits and other receivables.

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.

37. 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 2018

38. Significant related party balances and transactions

In addition to significant related party balances disclosed in Notes 8 and 17, and the disclosure of related party transactions in Note 19, 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	2018 S\$	2017 S\$
Management fees	Between headquarters and divisions of the Society	828,000	793,000
Direct expenses	Companies with common key management personnel	2,155,786	2,578,509
Consultancy fee	Companies with common key management personnel	40,000	112,500
Staff cost – staff meals	Companies with common key management personnel	634,743	645,793
Other operating expenses	Companies with common key management personnel	317,944	84,078
Rental paid on behalf of a related party	Company with common key management personnel	364,025	349,632

39. Contingent liabilities and commitments

(a) As at the reporting date, the Society had contingent liabilities amounting to approximately S\$10,800 (2017: S\$120,195) 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 12).

(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.

	2018 S\$	2017 S\$
<u>Rental of premises</u>		
Within one year	932,586	1,849,010
Between two and five years	1,034,633	709,805
	<u>1,967,219</u>	<u>2,558,815</u>
<u>Equipment lease</u>		
Within one year	66,600	54,875
Between two and five years	108,670	135,547
	<u>175,270</u>	<u>190,422</u>
<u>Motor Vehicle lease</u>		
Within one year	13,140	24,561
Between two and five years	-	12,280
	<u>13,140</u>	<u>36,841</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

39. Contingent liabilities and commitments (continued)

(b)(ii) As at the reporting date, the Society leased out its investment property (see Note 6). The future minimum lease receivables under non-cancellable leases is as follows:

	2018	2017
	S\$	S\$
<u>Lease As Lessor</u>		
Within one year	160,000	240,000
Between two and five years	-	160,000
	<u>160,000</u>	<u>400,000</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 8) 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:

	2018	2017
	S\$	S\$
<u>Lease as Lessee</u>		
Within one year	34,374	762,125
Between two and five years	-	34,374
	<u>34,374</u>	<u>796,499</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.

	2018	2017
	S\$	S\$
<u>Transportation Services</u>		
Within one year	-	102,000
<u>Sub-contractor labour</u>		
Within one year	-	180,000

40. 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\$4,178,316 (2017: S\$2,996,591), which include those donations received by Giro and from the Society' staff members through monthly salary deductions.

41. 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 Society. The reclassifications are as follows:

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Notes to the Financial Statements
For the financial year ended 31 December 2018

41. Comparative information (continue)

Restatement of prior year figures due to reclassifications (continued)

	As previously reported	Amount reclassified	As reclassified
	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income for the financial			
Staff Costs	13,110,543	73,248	13,183,791
Other operating expenses	8,044,976	(73,248)	7,971,728

42. Authorisation of financial statements

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

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Detailed Statement of Financial Position – By IPC / non-IPC activity
As at 31 December 2017

	2018 Non-IPC JS S\$	2018 IPC JWF S\$	2018 Total JS and JWF S\$
ASSETS			
Non-current assets			
Property, plant and equipment	8,135,677	7,618,611	15,754,288
Investment property	6,381,392	-	6,381,392
Amount due from related party	364,025	-	364,025
	14,881,094	7,618,611	22,499,705
Current assets			
Inventories	24,345	123,440	147,785
Trade receivables	84,622	955,056	1,039,678
Deposits and other receivables	350,755	3,957,182	4,307,937
Amount due from JWF / IPC arm	4,497,975	-	4,497,975
Cash and cash equivalents	18,834,427	7,720,987	26,555,414
	23,792,124	12,756,665	36,548,789
Total assets	38,673,218	20,375,276	59,048,494
FUNDS AND LIABILITIES			
Funds			
General fund	34,994,230	11,078,619	46,072,849
Restricted funds	2,040,174	(405,004)	1,635,170
Unrestricted funds	765,000	-	765,000
	37,799,404	10,673,615	48,473,019
LIABILITIES			
Non-current liabilities			
Finance lease liability	-	11,152	11,152
Capital grants	-	2,097,397	2,097,397
	-	2,108,549	2,108,549
Current liabilities			
Capital grants	-	646,362	646,362
Trade payables	506,390	425,536	931,926
Accruals and other payables	367,424	2,019,102	2,386,526
Finance lease liability	-	4,137	4,137
Amount due to JS / non-IPC arm	-	4,497,975	4,497,975
	873,814	7,593,112	8,466,926
Total liabilities	873,814	9,701,661	10,575,475
Total funds and liabilities	38,673,218	20,375,276	59,048,494

This statement does not form part of the audited financial statements.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE
Statement of Profit or Loss and General Fund Position – By IPC / non-IPC activity
For the financial year ended 31 December 2018

	2018 Non-IPC JS S\$	2018 IPC JWF S\$	2018 Total JS and JWF S\$
Income	5,995,067	22,644,999	28,640,066
Direct expenses	(1,207,107)	(4,182,254)	(5,389,361)
Staff costs	(2,111,463)	(12,697,588)	(14,809,051)
Other operating expenses	(2,305,462)	(6,067,010)	(8,372,472)
Profit/(Loss) before expenses	<u>371,035</u>	<u>(301,853)</u>	<u>69,182</u>
Income tax expense	-	-	-
Profit/(Loss) for the financial year	<u>371,035</u>	<u>(301,853)</u>	<u>69,182</u>
General fund at the beginning of the financial year	34,623,275	11,380,392	46,003,667
General fund at the end of the financial year	<u><u>34,994,310</u></u>	<u><u>11,078,539</u></u>	<u><u>46,072,849</u></u>

Legend: JS (Non-IPC) – Jamiyah Singapore, the non-IPC arm of the Society
JWF (IPC) – Jamiyah Welfare Fund, the IPC arm of the Society

This statement does not form part of the audited financial statements.