

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

(UEN Number: S61SS0055K)

(A Society Registered in the Republic of Singapore)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

PRESIDENT

Mohd. Hasbi Bin Abu Bakar

VICE-PRESIDENTS

Abdul Jaffar Bin Mohamed Mydin
Mohamad Hafidz Bin Abdul Malik
Mohamed Sirajudin Bin Mohamed Salman

REGISTERED OFFICE

31 Lorong 12 Geylang,
Singapore 399006

SECRETARY GENERAL

Muhammad Khair Bin Baharin

AUDITOR

Reanda Adept PAC
138 Cecil Street
#06-01 Cecil Court
Singapore 069538

INDEX	PAGE
STATEMENT BY THE EXECUTIVE COUNCIL	1
INDEPENDENT AUDITOR'S REPORT	2 - 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN FUNDS	8
STATEMENT OF CASH FLOWS	9 - 10
NOTES TO THE FINANCIAL STATEMENTS	11 - 55

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

STATEMENT BY THE EXECUTIVE COUNCIL

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

We, the Executive Council of The Muslim Missionary Society, Singapore (the "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 Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), Financial Reporting Standards in Singapore ("FRSs") and the Society's Constitution. 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 financial statements of the Society are drawn up so as give a true and fair view of the financial position of the Society as at 31 December 2025 and the financial performance, changes in funds and cash flows of the activities of the Society for the year then ended; 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,


.....
ABDUL JAFFAR BIN MOHAMED MYDIN
Vice President I


.....
MUSTAFA DUMIDAE
Treasurer General

Singapore
5 June 2026

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

TO THE MEMBERS OF THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Muslim Missionary Society, Singapore (the "Society"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act" and "Regulations"), and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2025, and the results, 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"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audit of the financial statements of public interest entities in Singapore. We have also 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 contained in the Annual Report. The other information comprises the Statement by the Executive Council and Annual Report, but does not include the financial statements and our auditor's report thereon.

We have obtained the Statement by the Executive Council prior to the date of this auditor's report. The other information except for the 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 and will not express any form of assurance conclusion thereon.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

INDEPENDENT AUDITOR'S REPORT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

TO THE MEMBERS OF THE MUSLIM MISSIONARY SOCIETY, SINGAPORE (CONT'D)

Other Information (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information 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 Annual Report, if based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and to report that fact. We have nothing to report in this regard.

Responsibilities of Executive Council and Those Charged with Governance for the Financial Statements

The Executive Council of the Society is responsible for the preparation and fair presentation of the financial statements of the Society in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSS, and for such internal control as Executive Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for 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 of 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.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

INDEPENDENT AUDITOR'S REPORT (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

TO THE MEMBERS OF THE MUSLIM MISSIONARY SOCIETY, SINGAPORE (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- 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 Executive Council.
- Conclude on the appropriateness of Executive Council'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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fund-raising appeal held during the financial year ended 31 December 2025 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

INDEPENDENT AUDITOR'S REPORT (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

TO THE MEMBERS OF THE MUSLIM MISSIONARY SOCIETY, SINGAPORE (CONT'D)

Report on Other Legal and Regulatory Requirements (Cont'd)

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

- (a) the Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Ng Kok Keong.



Reanda Adept PAC
Public Accountants and
Chartered Accountants

Singapore
5 June 2026

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 S\$	2024 S\$
ASSETS			
Non-current assets			
Property, plant and equipment	4	14,770,349	16,133,743
Investment properties	5	13,720,191	5,771,648
Intangible assets	6	577,158	488,022
Amounts due from related parties	7	177,604	213,604
		<u>29,245,302</u>	<u>22,607,017</u>
Current assets			
Inventories	8	149,827	216,282
Trade receivables	9	296,831	731,811
Other receivables, deposits and prepayments	10	3,053,014	2,935,029
Cash and cash equivalents	11	32,449,487	36,617,758
		<u>35,949,159</u>	<u>40,500,880</u>
Total assets		<u>65,194,461</u>	<u>63,107,897</u>
FUNDS AND LIABILITIES			
Funds			
Restricted funds	12	1,541,375	1,622,015
General funds		55,535,965	53,257,047
Designated funds	13	721,914	721,914
Total funds		<u>57,799,254</u>	<u>55,600,976</u>
LIABILITIES			
Non-current liabilities			
Capital grants	14	585,280	980,394
Lease liabilities	15	973,614	1,883,521
		<u>1,558,894</u>	<u>2,863,915</u>
Current liabilities			
Trade payables	16	470,781	405,837
Other payables and accruals	17	4,020,995	2,811,763
Capital grants	14	407,142	407,142
Lease liabilities	15	937,395	1,018,264
		<u>5,836,313</u>	<u>4,643,006</u>
Total liabilities		<u>7,395,207</u>	<u>7,506,921</u>
Total funds and liabilities		<u>65,194,461</u>	<u>63,107,897</u>

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

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S\$	2024 S\$
Income	18	40,258,503	36,933,881
Items of expense			
Direct expenses	18	(8,407,851)	(7,320,595)
Staff costs	18	(17,847,507)	(16,482,270)
Other operating expenses	18	(10,170,626)	(9,312,181)
		<u>(36,425,984)</u>	<u>(33,115,046)</u>
Surplus for the financial year		3,832,519	3,818,835
<i>Items that will not be reclassified to profit or loss:</i>			
Movements in restricted funds		(1,634,241)	(1,355,903)
Total comprehensive income for the financial year		<u>2,198,278</u>	<u>2,462,932</u>

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 2025

	Restricted funds S\$ (Note 12)	Unrestricted		Total S\$
		General funds S\$	Designated funds S\$ (Note 13)	
Balance at 1 January 2024	1,666,684	50,749,446	721,914	53,138,044
Deficit for the financial year, representing total comprehensive loss for the financial year*	(2,001,321)	4,464,253	-	2,462,932
Transfer of funds	1,956,652	(1,956,652)	-	-
Balance at 31 December 2024	1,622,015	53,257,047	721,914	55,600,976
Surplus for the financial year, representing total comprehensive income for the financial year*	(1,727,864)	3,926,142	-	2,198,278
Transfer of funds	1,647,224	(1,647,224)	-	-
Balance at 31 December 2025	1,541,375	55,535,965	721,914	57,799,254

*Surplus/(Deficit) for the financial year, representing total comprehensive income/(loss) for the financial year

	(Note 12)		General funds	
	Restricted funds 2025 S\$	2024 S\$	2025 S\$	2024 S\$
Comprise the movement of:				
Building fund	(5,065)	(5,065)	-	-
Cambodia Relief Fund	-	(11,700)	-	-
Community Silver Trust fund	(75,812)	43,325	-	-
Islamic Development Education Trust fund	237	237	-	-
Jamiyah Foodbank fund	(1,553,601)	(1,382,700)	-	-
	(1,634,241)	(1,355,903)	-	-
Surplus for the financial year	-	-	3,832,519	3,818,835
Jamiyah Home for the Aged	(93,623)	(645,418)	93,623	645,418
	(1,727,864)	(2,001,321)	3,926,142	4,464,253

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 2025

	Note	2025 S\$	2024 S\$
Cash flows from operating activities			
Surplus for the financial year		3,832,519	3,818,835
<u>Adjustments for:</u>			
Amortisation of capital grant	14	(408,482)	(407,145)
Movement in restricted and unrestricted funds		(1,634,241)	(1,355,903)
Amortisation of intangible assets	6	81,064	82,057
Depreciation of investment properties	5	128,435	101,624
Depreciation of property, plant and equipment	4	2,539,769	2,598,667
Property, plant and equipment written off	4	79,445	12,959
Provision for expected credit losses on trade receivables	9	198,730	86,948
Reversal of provision for expected credit losses on trade receivables	9	(673)	(88,107)
Interest income		(220,771)	(263,149)
Interest expense		48,221	52,942
Gain on derecognition of lease liabilities		-	(167,787)
Operating cash flow before working capital changes		<u>4,644,016</u>	<u>4,471,941</u>
<u>Changes in working capital:</u>			
Amounts due from related parties		36,000	43,299
Inventories		66,455	(131,562)
Trade receivables		236,923	(360,225)
Other receivables, deposits and prepayments		(117,985)	(301,304)
Trade payables		64,944	(17,380)
Other payables and accruals		1,209,232	62,435
Net cash generated from operating activities		<u>6,139,585</u>	<u>3,767,204</u>
Cash flows from investing activities			
Interest received		220,771	263,149
Increase in fixed deposits pledged	11	(150)	(162)
Acquisition of property, plant and equipment	A	(1,255,820)	(685,664)
Acquisition of intangible asset	6	(170,200)	(78,534)
Acquisition of investment property	5	(8,076,978)	-
Net cash used in investing activities		<u>(9,282,377)</u>	<u>(501,211)</u>
Cash flows from financing activities			
Proceeds from capital grant	14	13,368	71,174
Interest paid	15	(48,221)	(52,942)
Payment of principal portion of lease liabilities	15	(990,776)	(952,978)
Refund of capital grant	14	-	(17,856)
Net cash used in financing activities		<u>(1,025,629)</u>	<u>(952,602)</u>
Net (decrease)/increase in cash and cash equivalents		(4,168,421)	2,313,391
Cash and cash equivalents at the beginning of financial year		<u>36,291,671</u>	<u>33,978,280</u>
Cash and cash equivalents at the end of financial year	11	<u>32,123,250</u>	<u>36,291,671</u>

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

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

STATEMENT OF CASH FLOWS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	2025 S\$	2024 S\$
Note A		
Acquisition of property, plant and equipment	1,255,820	2,790,378
Add: Deposit paid for lease arrangement (Note 4)	-	97,000
Less: Amount financed by lease liabilities (Note 15)	-	(2,201,714)
	<u>1,255,820</u>	<u>685,664</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 2025

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

1. GENERAL INFORMATION

The Muslim Missionary Society, Singapore, also known as Jamiyah Singapore (the "Society") is registered under the Societies Act 1966 and is also a charity under the Charities Act 1994. The Society was accorded the Institutions 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") (UEN Number: T15CC0003G). The IPC status of the JWF has been renewed from 1 June 2025 to 30 November 2026. 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 fellow Singaporeans, promote education, provide welfare services for the benefit of the community irrespective of race or religion.

The activities include the following:

(a) Childcare centre

To provide educational needs for the children of working mothers and non-working mothers.

(b) 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 and training and religious courses.

(c) Home for the aged

To provide shelter, care, nursing and health needs to the destitute and aged.

(d) Nursing home

Caring of aged and sick, providing residential, medical, nursing care, psychological social and spiritual counselling.

(e) Student care centre

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 (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION (CONT'D)

The activities include the following: (Cont'd)

(f) Global child development centre

To provide educational needs for the children of working mothers and non-working mothers.

(g) Kindergarten

To operate a kindergarten for children.

(h) Academy centre (f.k.a. Education centre)

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

The financial statements of the Society for the financial year ended 31 December 2025 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Society have been drawn up in accordance with the Societies Act 1966, the Charities Act 1994, Financial Reporting Standards in Singapore ("FRSs") and the Society's Constitution. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("S\$"), which is the Society's functional and presentation currency.

The financial statements of the Society have been prepared on the basis that it will continue to operate as a going concern.

2.2 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 2025. The adoption of these standards did not have any material effect on the financial statements of the Society.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.2 Adoption of new and amended standards and interpretations (Cont'd)

The Executive Council expect that the adoption of the new and amended standards and interpretations does not have any material impact on the financial statements.

2.3 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

	<u>Useful lives</u>
Freehold building	100 years
Leasehold property	27 years
Renovation	10 years
Furniture and fittings	5 to 10 years
Machinery and equipment	5 to 10 years
Bedding and medical equipment	5 to 10 years
Office equipment	5 to 10 years
Computer equipment	5 to 10 years
Motor vehicles	10 years
Leasehold land	3 years
Leasehold building	2 years
Leasehold equipment	2 to 5 years

The residual value, useful lives and depreciation method are reviewed at least at the end of each financial period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Investment properties

Investment property is property that is either owned by the Society or right-of-use assets that is held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprise completed investment property and property that is being constructed or developed for future use as investment properties.

Investment property is initially measured at cost, including transaction costs.

Investment property is derecognised either when it has been disposed of (i.e. at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition as gain or loss arising from the retirement or disposal of investment property.

Depreciation provided on freehold building is 50 years. Depreciation is computed on a straight-line basis so as to write off the cost or the carrying amount over their estimated useful lives. The carrying amount, residual value and useful lives are reviewed and adjusted as appropriate at the end of each reporting period with changes in estimate accounted for on a prospective basis.

2.5 Intangible assets

Computer software

Computer software are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 5 to 10 years.

The amortisation period and amortisation method are reviewed at least at each balance sheet date. The effect of any revision are recognised in profit or loss when the changes arise.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 Financial instruments

(a) 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 fair value through profit or loss ("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.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Society's operation for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL. The Society only has debt instruments at 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 profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Society may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Society's right to receive payments is established. For investments in equity instruments which the Society has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in comprehensive income.

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.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Financial instruments (Cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in the statement of comprehensive income.

2.8 Impairment of financial assets

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. 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 expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Impairment of financial assets (Cont'd)

For trade receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Society considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.11 Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.11 Provisions (Cont'd)

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Society.

Contingent liabilities are not recognised on the statement of financial position, if:

- (a) It is not probable that an outflow embodying economic resources will be required to settle the obligation; and/or
- (b) The amount cannot be reliably measured.

Contingent assets will not be recognised unless it is certain that benefits will flow to the Society and the amount can be reliably measured.

2.12 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.13 Employee benefits

Defined contribution plan

The Society makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.13 Employee benefits (Cont'd)

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 as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The net total of service costs, net interest on the liability and re-measurement of the liability are recognised in the statement of comprehensive income.

2.14 Leases

The Society assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and low-value assets. The Society recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Society recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

The Society's right-of-use assets are presented within property, plant and equipment (Note 4).

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 Leases (Cont'd)

Lease liabilities

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Society uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Society applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

Leases in which the Society does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Society's investment property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.15 Income recognition

Income 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.

Income 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 income recognised is the amount allocated to the satisfied performance obligation.

(a) Donations income

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.

(b) Fees income

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

(c) Interest income

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

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

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.16 Restricted 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.

Income and expenditure relating to specific funds are accounted for either directly in the funds to which they relate or the funds are appropriated to be recognised in profit or loss as and when the Society is entitled to appropriate the same to meet the relevant expenditure. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense.

Funds received for specific purposes such as purchase of depreciable assets are taken to relevant restricted fund account as in the case of the Capital Grant 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.

2.17 Taxes

The Society is a charity registered under the Charities Act 1994. Consequently, the income of the Society is exempted from tax under the provisions of Section 13(1)(zm) of the Income Tax Act 1947.

2.18 Goods and services tax ("GST")

Income, expenses and assets are recognised net of the amount of GST except:

- (a) Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (b) Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.19 Related parties

Parties are considered to be related to the Society or the Division if the person has ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Society or the Division and the parties are subject to common control. Related parties may be individuals or other entities.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Society's financial statements requires Executive Council to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Executive Council is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

(a) Apportionment of costs

The Society apportions certain shared costs between its IPC arm and the non-IPC arm. Executive Council estimates the rate of apportionment by reviewing the activities and output of each arm. These rates are reviewed on an annual basis.

(b) Leases – estimating the incremental borrowing rate

The Society cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Society would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Society would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Society estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(c) Provision for expected credit losses of trade receivables

The Society uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 Key sources of estimation uncertainty (Cont'd)

(c) Provision for expected credit losses of trade receivables (Cont'd)

The provision matrix is initially based on the Society's historical observed default rates. The Society will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast 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 information about the ECLs on the Society's trade receivables is disclosed in Note 21(c).

The carrying amount of the Society's trade receivables as at 31 December 2025 was S\$296,831 (2024: S\$731,811).

(d) Estimated impairment of non-financial assets

Property, plant and equipment, investment properties and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Executive Council has assessed that there is no objective evidence or indication that the carrying amounts of the Society's non-financial assets may not be recoverable as at the reporting date and accordingly an impairment assessment is not required. The carrying amounts of non-financial assets at the reporting date are disclosed in Note 4, 5 and 6 respectively to the financial statements.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold building S\$	Leasehold property S\$	Renovation	Furniture and fittings	Machinery and equipment S\$	Bedding and medical equipment	Office equipment	Computer equipment S\$	Motor vehicles S\$	Leasehold land S\$	Leasehold building S\$	Leasehold equipment S\$	Total S\$
Cost													
As at 1 January 2024	9,507,297	6,491,961	8,772,905	541,183	888,447	961,524	497,649	989,023	1,147,387	1,336,984	2,357,096	252,885	33,744,341
Additions	-	-	91,375	-	113,257	120,291	108,964	82,147	312,630	1,369,322	455,410	136,982	2,790,378
Written off	-	-	-	(614)	(43,714)	(2,335)	(773)	(54,416)	-	(1,336,984)	(779,638)	(252,885)	(2,471,359)
As at 31 December 2024	9,507,297	6,491,961	8,864,280	540,569	957,990	1,079,480	605,840	1,016,754	1,460,017	1,369,322	2,032,868	136,982	34,063,360
Additions	-	-	332,807	39,357	147,534	242,683	244,152	111,695	137,592	-	-	-	1,255,820
Written off	-	-	-	(12,849)	(118,412)	(78,266)	(42,681)	(299,921)	-	-	-	-	(552,129)
Reclassification	-	-	-	-	-	-	70,116	(70,116)	-	-	-	-	-
As at 31 December 2025	9,507,297	6,491,961	9,197,087	567,077	987,112	1,243,897	877,427	758,412	1,597,609	1,369,322	2,032,868	136,982	34,767,051
Accumulated depreciation													
As at 1 January 2024	2,534,561	5,332,437	5,038,178	338,912	580,949	457,161	79,913	617,371	767,973	993,453	844,185	240,304	17,825,397
Depreciation for the year	95,083	239,912	744,912	50,044	70,933	96,180	85,267	95,395	88,767	457,641	534,556	39,977	2,598,667
Written off	-	-	-	(236)	(36,844)	(1,748)	(773)	(49,292)	-	(1,336,984)	(815,685)	(252,885)	(2,494,447)
As at 31 December 2024	2,629,644	5,572,349	5,783,090	388,720	615,038	551,593	164,407	663,474	856,740	114,110	563,056	27,396	17,929,617
Depreciation for the year	95,082	239,911	584,517	50,236	98,055	137,339	116,816	77,292	113,486	456,441	543,197	27,397	2,539,769
Written off	-	-	-	(11,228)	(100,425)	(76,388)	(18,533)	(266,110)	-	-	-	-	(472,684)
Reclassification	-	-	-	-	-	-	15,944	(15,944)	-	-	-	-	-
As at 31 December 2025	2,724,726	5,812,260	6,367,607	427,728	612,668	612,544	278,634	458,712	970,226	570,551	1,106,253	54,793	19,996,702
Carrying amount													
As at 31 December 2024	6,877,653	919,612	3,081,190	151,849	342,952	527,887	441,433	353,280	603,277	1,255,212	1,469,812	109,586	16,133,743
As at 31 December 2025	6,782,571	679,701	2,829,480	139,349	374,444	631,353	598,793	299,700	627,383	798,771	926,615	82,189	14,770,349

Charge for the financial year to Statement of Comprehensive Income - General fund
Charge for the financial year to Restricted fund (Note 12)

2025 S\$	2024 S\$
2,312,064	2,379,603
227,705	219,064
<u>2,539,769</u>	<u>2,598,667</u>

The freehold building is registered in the name of three 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 on that date.

Motor vehicle and right-of-use assets acquired under leasing arrangement is presented together with the owned assets of the same class. Details of such leased assets is disclosed in Note 15.

In 2024, the Society acquired motor vehicle with an aggregate cost of S\$240,000 by means of leases. The carrying amount on acquisition of such asset in 2025 amounted to \$210,000 (2024: S\$234,000).

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. INVESTMENT PROPERTIES

	2025 S\$	2024 S\$
Cost		
As at 1 January	6,961,818	6,961,818
Additions	<u>8,076,978</u>	<u>-</u>
As at 31 December	<u>15,038,796</u>	<u>6,961,818</u>
Accumulated depreciation		
As at 1 January	1,190,170	1,088,546
Depreciation for the year	<u>128,435</u>	<u>101,624</u>
As at 31 December	<u>1,318,605</u>	<u>1,190,170</u>
Carrying amount		
As at 31 December	<u>13,720,191</u>	<u>5,771,648</u>
<u>Depreciation for the year</u>		
Charged to General Fund	123,370	96,559
Charged to Building Fund (Note 12)	<u>5,065</u>	<u>5,065</u>
	<u>128,435</u>	<u>101,624</u>

The investment property is an 8-unit residential apartment located at 34 Lorong 33 Geylang, Singapore 387989. The investment property is registered in the name of three 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 on that date.

The rental income recognised in profit and loss for the financial year ended 31 December 2025 from its investment property, which is leased out to a third party under an operating lease, is S\$240,000 (2024: S\$240,000).

During the financial year, the Society acquired 2-unit food factory located at 2A Mandai EST Singapore 729928. The investment properties is registered in the name of three trustees, Mr Abdul Malik Bin Abu Bakar, Dr H M Saleem and Mr Mohamed Yunos Bin Mohamed Shariff. The investment properties have been rented to a related party subsequent to year end. (Note 25)

The current financial year fair value of the investment properties was approximately S\$18,200,000, as assessed by the Executive Council (2024: S\$10,800,000). The fair value assessment is based on a valuation report dated 21 March 2022 for the 8-unit residential apartment investment property, prepared by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent firm of qualified valuers. The property was valued at S\$8,400,000, and management is of the view that there have been no significant changes in market conditions that would materially affect the valuation since the date of the report. The valuation was carried out using the direct comparison method, referencing recent transactions of comparable properties within the vicinity and open market values observed in the preceding financial year. The valuation technique involves the use of significant unobservable inputs, including price per square metre, and is therefore classified within Level 3 of the fair value hierarchy.

The fair value of the investment property is categorised as Level 3 fair value.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. INTANGIBLE ASSETS

	Computer software S\$	Total S\$
Cost		
As at 1 January 2024	677,719	677,719
Additions	78,534	78,534
As at 31 December 2024	<u>756,253</u>	<u>756,253</u>
Additions	170,200	170,200
As at 31 December 2025	<u>926,453</u>	<u>926,453</u>
Accumulated amortisation		
As at 1 January 2024	186,174	186,174
Depreciation for the year	82,057	82,057
As at 31 December 2024	<u>268,231</u>	<u>268,231</u>
Depreciation for the year	81,064	81,064
As at 31 December 2025	<u>349,295</u>	<u>349,295</u>
Carrying amount		
As at 31 December 2024	<u>488,022</u>	<u>488,022</u>
As at 31 December 2025	<u>577,158</u>	<u>577,158</u>

7. AMOUNTS DUE FROM RELATED PARTIES

	2025 S\$	2024 S\$
Amounts due from related parties	<u>177,604</u>	<u>213,604</u>

The amounts due from related parties are interest-free, unsecured and are not receivable in the next 12 months.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. INVENTORIES

	2025 S\$	2024 S\$
Statement of financial position:		
Finished goods - merchandise comprising uniforms, t-shirt, hat, prayer mat, flyer holder, azan clock and others	6,403	6,403
Finished goods - donated items	<u>143,424</u>	<u>209,879</u>
	<u>149,827</u>	<u>216,282</u>
Statement of comprehensive income:		
Inventories recognised as an expense in Foodbank Restricted Fund (Note 12)	<u>882,734</u>	<u>301,510</u>

Finished goods – donated items consists of food and household items received from donors which are distributed to needy beneficiaries.

9. TRADE RECEIVABLES

	2025 S\$	2024 S\$
Trade receivables:		
- Third parties	821,642	1,141,572
Less: Allowance for expected credit losses	<u>(524,811)</u>	<u>(409,761)</u>
	<u>296,831</u>	<u>731,811</u>

Trade receivables comprise outstanding school fees and nursing home fees that are collectable from students and residents respectively. These are interest-free and unsecured, except to the extent secured by advance deposits received from students and residents (Note 17). Trade receivables are non-interest bearing and are generally on 30 days terms.

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2025 S\$	2024 S\$
As at 1 January	409,761	813,476
Provision for expected credit losses (Note 18)	198,730	86,948
Reversal of provision for expected credit losses (Note 18)	(673)	(88,107)
Expected credit losses written off	<u>(83,007)</u>	<u>(402,556)</u>
As at 31 December	<u>524,811</u>	<u>409,761</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 S\$	2024 S\$
Other receivables:		
- Related parties	-	66,443
- Third parties	365,555	73,533
Total other receivables	<u>365,555</u>	<u>139,976</u>
Interest receivables	100,877	93,446
Grant receivables	1,620,677	1,485,644
Deposits	516,623	547,204
Staff advance	3,000	16,670
	<u>2,606,732</u>	<u>2,282,940</u>
Prepayments	446,282	652,089
	<u>3,053,014</u>	<u>2,935,029</u>

Included in grants receivables was operating grants receivables mainly from Ministry of Health ("MOH") and Agency for Integrated Care Pte Ltd ("AIC") amounting to S\$1,620,677 (2024: S\$1,485,644).

11. CASH AND CASH EQUIVALENTS

	2025 S\$	2024 S\$
Cash at banks	26,672,440	28,053,246
Cash on hand	21,600	21,600
Fixed deposits	5,755,447	8,542,912
	<u>32,449,487</u>	<u>36,617,758</u>

Fixed deposits bear average effective interest rates between 0.05% to 3.30% (2024: 0.05% to 3.30%) per annum. The fixed deposits are for a tenure of 30 days to 365 days (2024: 30 days to 365 days).

The fixed deposits which have been pledged to banks for the purpose of procuring bank guarantees in favour of third parties on behalf of other divisions of the Society as disclosed in Note 23 to the financial statements.

For the purpose of presenting the statement of cash flows, cash and cash equivalents the following at the end of the financial year:

	2025 S\$	2024 S\$
Cash and cash equivalents	32,449,487	36,617,758
Less: Pledged deposits	<u>(326,237)</u>	<u>(326,087)</u>
	<u>32,123,250</u>	<u>36,291,671</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. RESTRICTED FUNDS

	Building Fund S\$	Cambodia Relief Fund S\$	Community Silver Trust Fund S\$	Education Scholarship Fund S\$	Islamic Development Trust Fund S\$	Jamiyah Home for the Aged S\$	Jamiyah Foodbank S\$	Lee Foundation Fund S\$	Maid and Nurse Aids Education and Training Fund S\$	Private Islamic Education Fund S\$	SBL Bursary Donation S\$	Total S\$
As at 1 January 2024	146,238	12,903	65,537	100,000	399,937	71,467	-	21,035	772,206	1,811	75,550	1,666,684
Donations received	-	-	-	-	-	86,614	-	-	-	-	-	86,614
Grants received	-	-	179,328	-	-	2,381,855	-	-	-	-	-	2,561,183
Other income received	-	-	-	-	-	59,976	-	-	-	-	-	59,976
Value of inventory items received	-	-	-	-	-	-	433,072	-	-	-	-	433,072
Value of purchased inventory items distributed to beneficiaries (Note 8)	-	-	-	-	-	-	(301,510)	-	-	-	-	(301,510)
Direct expenses	-	-	-	-	-	(860,457)	-	-	-	-	-	(860,457)
Operating expenses	-	-	-	-	-	(630,668)	(1,295,198)	-	-	-	-	(1,925,866)
Depreciation charged*	(5,065)	-	-	-	-	-	(219,064)	-	-	-	-	(224,129)
Staff costs	-	-	-	-	-	(1,682,738)	-	-	-	-	-	(1,682,738)
Funds appropriated to grants received under income statement	-	(11,700)	(136,003)	-	-	-	-	-	-	-	-	(147,703)
Loans repaid by student during the year	-	-	-	-	239	-	-	-	-	-	-	239
Loans made to the students	-	-	-	-	(2)	-	-	-	-	-	-	(2)
Transfer of funds from General fund	-	-	-	-	-	573,952	1,382,700	-	-	-	-	1,956,652
Movement for the financial year	(5,065)	(11,700)	43,325	-	237	(71,466)	-	-	-	-	-	(44,669)
As at 31 December 2024	141,173	1,203	108,862	100,000	400,174	1	-	21,035	772,206	1,811	75,550	1,622,015

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. RESTRICTED FUNDS (CONT'D)

	Building Fund S\$	Cambodia Relief Fund S\$	Community Silver Trust Fund S\$	Education Scholarship Fund S\$	Islamic Development Education Trust Fund S\$	Jamiyah Home for the Aged S\$	Jamiyah Foodbank S\$	Lee Foundation S\$	Maid and Nurse Aids Education and Training Fund S\$	Private Islamic Education Fund S\$	SBL Bursary Donation S\$	Total S\$
As at 1 January 2025	141,173	1,203	108,862	100,000	400,174	1	-	21,035	772,206	1,811	75,550	1,622,015
Donations received	-	-	-	-	-	122,298	-	-	-	-	-	122,298
Grants received	-	-	52,974	-	-	2,639,687	-	-	-	-	-	2,692,661
Other income received	-	-	-	-	-	21,500	-	-	-	-	-	21,500
Value of inventory items received	-	-	-	-	-	-	816,279	-	-	-	-	816,279
Value of purchased inventory items distributed to beneficiaries (Note 8)	-	-	-	-	-	-	(882,734)	-	-	-	-	(882,734)
Direct expenses	-	-	-	-	-	(580,680)	-	-	-	-	-	(580,680)
Operating expenses	-	-	-	-	-	(572,813)	(1,259,441)	-	-	-	-	(1,832,254)
Depreciation charged*	(5,065)	-	-	-	-	-	(227,705)	-	-	-	-	(232,770)
Staff costs	-	-	-	-	-	(1,723,615)	-	-	-	-	-	(1,723,615)
Funds appropriated to grants received under income statement	-	-	(128,786)	-	-	-	-	-	-	-	-	(128,786)
Loans repaid by student during the year	-	-	-	-	239	-	-	-	-	-	-	239
Loans made to the students	-	-	-	-	(2)	-	-	-	-	-	-	(2)
Transfer of funds from General fund	-	-	-	-	-	93,623	1,553,601	-	-	-	-	1,647,224
Movement for the financial year	(5,065)	-	(75,812)	-	237	-	-	-	-	-	-	(80,640)
As at 31 December 2025	136,108	1,203	33,050	100,000	400,411	1	-	21,035	772,206	1,811	75,550	1,541,375

*Depreciation charged to Restricted Fund

	2025 S\$	2024 S\$
Depreciation of leasehold building (Note 4)	227,705	219,064
Depreciation of investment properties (Note 5)	5,065	5,065
	<u>232,770</u>	<u>224,129</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. RESTRICTED FUNDS (CONT'D)

Building Fund

This fund was established from donations received from donors for the purpose of the renovation works to the Society pertaining of the investment property.

Cambodia Relief Fund

This 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 a religious education relating to the Islamic Faith including the conduct of religious lectures and activities.

CST grant

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.

Education Scholarship Fund

This fund is restricted for the purpose of meeting education expenses of the needy.

Islamic Development Bank

Islamic Development Bank ("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.

Jamiyah Home For the Aged – Darul Takrim

The fund was established with the grants from Ministry of Social and Family Development ("MSF") and amounts donated for the purpose of operating the Division to meet the Society's objectives of serving the aged and needy.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. RESTRICTED FUNDS (CONT'D)

Jamiyah Foodbank

This is a restricted fund that accounts for the food ration distribution programme that was officially launched in March 2017 at Tannery Lane. Under the Foodbank, the food ration distribution programme that the Division was undertaking previously became an expanded activity when it rented a four-story building to serve the society. The Division collects, sorts, stores, and distributes donated food to poor and needy families. The Division subsequently set up Jampacked@Bukit Batok on 11th September 2021, Jampacked@West Coast on 7th May 2023 and Jampacked@Radin Mas on 3rd August 2024.

Lee Foundation Fund

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

The Maid and Nurse Education and Training Fund

This fund is established by the Society to provide education and training to maids and nursing aides.

Private Islamic Education Fund

This grant was received from Majlis Ugama Islam Singapura ("MUIS") and is a one-off funding to be disbursed to eligible students to financial assist them for Islamic education.

SBL Bursary Donation

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.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. DESIGNATED FUND

	2025 S\$	2024 S\$
King Faizal Education Fund		
As at 1 January	721,914	721,914
Appropriation to grants in Income Statement	-	-
As at 31 December	<u>721,914</u>	<u>721,914</u>

This fund is established from donation received through Royal Embassy of Saudi Arabia meant to advance the general objects of the Society.

14. CAPITAL GRANTS

The Society received capital grants from the Ministry of Community Development, Youth and Sports, National Council of Social Service ("NCSS"), Singapore Corporation of Rehabilitative Enterprises ("SCORE"), Early Childhood Development Agency ("ECDA") to fund the renovation of the Halfway House premises at 352 Pasir Panjang Road, the Childcare Centre's extension of premises at Block 124 Ang Mo Kio Avenue 6, the renovation works at Block 870A Tampines St 86 #01-10, Block 871B Tampines St 86 #01-30, purchase of vans, ambulances, laptops, software machinery, equipment, Tech Booster Project, data protection starter kit checklist project and IT Solutions@Tech and Go project.

In 2024, the Society received another capital grant amounting to S\$71,174 from the National Council of Social Service ("NCSS") to fund the purchase of Human Resource Management System ("HRMS") system and for tech booster project.

In 2025, the Fund received an additional capital grant from NCSS for the purchase of the HRMS.

	2025 S\$	2024 S\$
Balance as at 1 January	4,081,884	4,028,566
Additions	13,368	71,174
Less: Grant refunded during the financial year	-	(17,856)
	<u>4,095,252</u>	<u>4,081,884</u>
Less: Accumulated amortisation of capital grant	(3,080,161)	(2,671,679)
Less: Accumulated adjustment due to variation in capital grant recognised	(22,669)	(22,669)
Balance as at 31 December	<u>992,422</u>	<u>1,387,536</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. CAPITAL GRANTS (CONT'D)

	2025 S\$	2024 S\$
Current portion	407,142	407,142
Non-current portion	585,280	980,394
	<u>992,422</u>	<u>1,387,536</u>

The movement in amortisation of capital grant was as follows:

	2025 S\$	2024 S\$
Balance as at 1 January	2,671,679	2,264,534
Amortisation during the year	408,482	407,145
Balance as at 31 December	<u>3,080,161</u>	<u>2,671,679</u>

(a) Reconciliation of liabilities arising from financing activities

2025	As at 1 January S\$	Cash flows S\$	Non-cash changes		As at 31 December S\$
			Amortisation S\$	Other S\$	
Capital grant					
- Current	407,142	13,368	(408,482)	395,114	407,142
- Non-current	980,394	-	-	(395,114)	585,280
	<u>1,387,536</u>	<u>13,368</u>	<u>(408,482)</u>	<u>-</u>	<u>992,422</u>

2024	As at 1 January S\$	Cash flows S\$	Non-cash changes		As at 31 December S\$
			Amortisation S\$	Other S\$	
Capital grant					
- Current	402,862	53,318	(407,145)	358,107	407,142
- Non-current	1,338,501	-	-	(358,107)	980,394
	<u>1,741,363</u>	<u>53,318</u>	<u>(407,145)</u>	<u>-</u>	<u>1,387,536</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. LEASE LIABILITIES

	2025 S\$	2024 S\$
Current:		
- Lease liabilities from hire purchase arrangements	26,932	25,182
- Lease liabilities from right-of-use lease arrangements	910,463	993,082
	<u>937,395</u>	<u>1,018,264</u>
Non-current:		
- Lease liabilities from hire purchase arrangements	86,851	113,783
- Lease liabilities from right-of-use lease arrangements	886,763	1,769,738
	<u>973,614</u>	<u>1,883,521</u>
	<u>1,911,009</u>	<u>2,901,785</u>

The Society has finance lease for motor vehicle (Note 4). Interest is charged at 6.74% p.a. (2024: 6.74% p.a.) on the loan principal and the amount owing is repayable over the lease terms of 5 years.

The Society as a lessee

The Society have lease contracts for leasehold land, leasehold building and leasehold equipment. For leases with lease terms 12 months or less and with low value, the Society applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions.

(a) Carrying amounts of right-of-use assets presented within property, plant and equipment

	Motor vehicles S\$	Leasehold land S\$	Leasehold building S\$	Leasehold equipment S\$	Total S\$
As at 1 January 2024	-	343,531	1,512,911	12,581	1,869,023
Additions	240,000	1,369,322	455,410	136,982	2,201,714
Derecognition	-	-	36,047	-	36,047
Depreciation	(24,000)	(457,641)	(534,556)	(39,977)	(1,056,174)
As at 31 December 2024 and 1 January 2025	216,000	1,255,212	1,469,812	109,586	3,050,610
Depreciation	(24,000)	(456,441)	(543,197)	(27,397)	(1,051,035)
As at 31 December 2025	<u>192,000</u>	<u>798,771</u>	<u>926,615</u>	<u>82,189</u>	<u>1,999,575</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. LEASE LIABILITIES (CONT'D)

The Society as a lessee (Cont'd)

(b) Amounts recognised in profit or loss

	2025 S\$	2024 S\$
Depreciation of right-of-use assets	1,051,035	1,056,174
Expenses not capitalised in lease liabilities		
- Expenses relating to short-term leases	39,804	39,371
Interest expense on lease liabilities	39,815	51,379
	<u>1,130,654</u>	<u>1,146,924</u>

(c) Total cash outflows

	2025 S\$	2024 S\$
Total cash outflows for leases	<u>1,038,997</u>	<u>1,005,920</u>

(d) Reconciliation of liabilities arising from financing activities

2025	As at 1 January S\$	Cash flows S\$	Non-cash changes				As at 31 December S\$
			Additions S\$	Accretion of interests S\$	Derecognition S\$	Other S\$	
Hire purchase payables							
- Current	25,182	(33,588)	-	8,406	-	26,932	26,932
- Non-current	113,783	-	-	-	-	(26,932)	86,851
Lease liabilities							
- Current	993,082	(1,005,409)	-	39,815	-	882,975	910,463
- Non-current	1,769,738	-	-	-	-	(882,975)	886,763
	<u>2,901,785</u>	<u>(1,038,997)</u>	<u>-</u>	<u>48,221</u>	<u>-</u>	<u>-</u>	<u>1,911,009</u>

2024	As at 1 January S\$	Cash flows S\$	Non-cash changes				As at 31 December S\$
			Additions S\$	Accretion of interests S\$	Derecognition S\$	Other S\$	
Hire purchase payables							
- Current	-	(5,598)	143,000	1,563	-	(113,783)	25,182
- Non-current	-	-	-	-	-	113,783	113,783
Lease liabilities							
- Current	849,538	(1,000,322)	1,838,269	51,379	(131,741)	(614,041)	993,082
- Non-current	1,155,697	-	-	-	-	614,041	1,769,738
	<u>2,005,235</u>	<u>(1,005,920)</u>	<u>1,981,269</u>	<u>52,942</u>	<u>(131,741)</u>	<u>-</u>	<u>2,901,785</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. LEASE LIABILITIES (CONT'D)

The Society as a lessor

The Society has entered into operating leases on its investment property to a third party. The lease of investment property is negotiated for terms ranging from 1 to 3 years. All leases include a clause to enable upward revision of rental charge on an annual basis according to prevailing market conditions. The lease is also required to provide a residual value guarantee on the property.

Rental income from investment property is disclosed in Note 18.

The future minimum rental receivables under non-cancellable operating leases contracted for at the reporting period are as follows:

	2025 S\$	2024 S\$
Not later than one year	261,600	160,000
Later than one year but not later than five years	<u>436,000</u>	<u>-</u>
	<u><u>697,600</u></u>	<u><u>160,000</u></u>

16. TRADE PAYABLES

	2025 S\$	2024 S\$
Trade payables		
- Related parties	176,645	235,372
- Third parties	<u>294,136</u>	<u>170,465</u>
	<u><u>470,781</u></u>	<u><u>405,837</u></u>

The amounts are non-interest bearing. Trade payables are normally settled on 60 days terms while amount due to related parties are interest-free, unsecured and repayable on demand.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. OTHER PAYABLES AND ACCRUALS

	2025 S\$	2024 S\$
Other payables:		
- Related parties	-	42,593
- Third parties	890,355	401,351
Accruals	864,448	628,627
Amounts due to residents	242,163	136,436
Advance deposits received from students/ residents	398,968	382,265
Grant received in advance	254,055	-
	<u>2,649,989</u>	<u>1,591,272</u>
Unutilised donations	73,303	73,888
CPF payables	436,086	371,641
GST payables	29,216	70,389
Medifund payables	708,956	581,128
Provision of reinstatement cost	123,445	123,445
	<u>4,020,995</u>	<u>2,811,763</u>

The amounts are non-interest bearing. Other payables are normally settled on 60 days terms while amounts due to related parties are interest-free, unsecured and repayable on demand.

18. INCOME, DIRECT EXPENSES AND OPERATING EXPENSES

	2025 S\$	2024 S\$
<u>Income:</u>		
- Donation income	10,744,767	10,734,571
- Fees income	13,463,149	11,754,624
- Fundraising income	6,628,560	4,460,860
- Grants received for operation	6,925,333	6,063,186
- Other income	2,496,694	3,920,640
	<u>40,258,503</u>	<u>36,933,881</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. INCOME, DIRECT EXPENSES AND OPERATING EXPENSES (CONT'D)

Disaggregation of income

	2025 S\$	2024 S\$
<u>Type of service:</u>		
- Amortisation of capital grant	408,482	407,145
- Donations received	10,744,767	10,734,571
- Interest income	220,771	263,149
- Fundraising income (Street collection)	6,628,560	4,460,860
- Grants received for operation	6,925,333	6,063,186
- Government grants	1,247,348	2,066,999
- Miscellaneous income	380,093	943,347
- Monthly fee income	12,745,066	10,712,831
- Other fees (registration, and other supplementary fees)	718,083	1,041,793
- Rental income	240,000	240,000
	<u>40,258,503</u>	<u>36,933,881</u>

Grants received are from the Government of Singapore to meet the Society's operating expenditure.

	2025 S\$	2024 S\$
<u>Timing of transfer of service:</u>		
Over time	21,566,229	19,490,161
Point in time	18,692,274	17,443,720
	<u>40,258,503</u>	<u>36,933,881</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. INCOME, DIRECT EXPENSES AND OPERATING EXPENSES (CONT'D)

Fund raising activities

Included in fundraising income for the financial year is fundraising income - street collections received from the Executive Council totalling S\$3,000 (2024: Nil).

	2025 S\$	2024 S\$
Gross fundraising income - street collection		
- Tax exempt	6,550,041	4,432,156
- Non-tax exempt	<u>78,519</u>	<u>28,704</u>
Total gross fundraising income	<u><u>6,628,560</u></u>	<u><u>4,460,860</u></u>
Cost of fundraising expenses	<u><u>1,946,714</u></u>	<u><u>1,209,542</u></u>
Percentages of fundraising expenses over gross fundraising income	<u><u>29.4%</u></u>	<u><u>27.1%</u></u>

Total expenses incurred on public fundraising appeals in the financial year did not exceed 30% of the total fundraising collected through the public appeals in the same year. The Society had complied with the requirements on the 30/70 fundraising rule set out in Regulation 15 of Charities (Institutions of Public Character) Regulations.

	2025 S\$	2024 S\$
<u>Direct expenses:</u>		
- Events, fundraising, residents and students related expenses	<u><u>8,407,851</u></u>	<u><u>7,320,595</u></u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. INCOME, DIRECT EXPENSES AND OPERATING EXPENSES (CONT'D)

	2025 S\$	2024 S\$
<u>Staff costs:</u>		
- Basic salaries	12,338,944	11,669,113
- Bonus and ex-gratia	930,239	891,404
- Casual and general labour	1,069,741	575,262
- CPF contributions	1,419,946	1,357,125
- Foreign workers levy	896,141	806,050
- Insurance	185,815	160,884
- Medical expenses	35,795	17,558
- Provision for leave pay	95,177	406,845
- Skill development levy	28,491	27,368
- Staff uniform	15,548	29,515
- Staff welfare expenses	620,090	427,692
- Training and recruitment expenses	211,580	113,454
	<u>17,847,507</u>	<u>16,482,270</u>

Included in staff costs is a total sum of S\$545,613 (2024: S\$390,695) comprising salary, bonus and ex-gratia, and CPF contributions paid in respect of key management personnel who are members of the Executive Council of the Society.

	2025 S\$	2024 S\$
<u>Other operating expenses include:</u>		
- Administration fees	129	1,100
- Advertisement and publicity	294,305	61,906
- Amortisation of intangible assets (Note 6)	81,064	82,057
- Anniversary expenses	68,927	18,094
- Auditor remuneration:		
- auditors of the Society		
- current year	188,100	184,900
- (over)/under provision of prior years	(50,920)	62,245
- other auditors	24,200	14,075
- Bank charges	149,712	138,476
- Board meeting expenses	-	1,000
- Consultancy fee	227,200	308,924
- Depreciation of investment property (Note 5)	128,435	101,624
- Depreciation of property, plant and equipment (Note 4)	2,312,064	2,379,603
- Disallowed GST expenses	1,126,236	892,102
- Donation outwards	149,536	43,990
- Electricity and water	641,930	778,636
- Entertainment and refreshment expenses	26,350	30,834
- Equipment expenses	67,656	91,967
- Event and project expenses	1,710,128	1,547,091
- Exchange loss	1,514	1,313
	<u>17,847,507</u>	<u>16,482,270</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. INCOME, DIRECT EXPENSES AND OPERATING EXPENSES (CONT'D)

	2025 S\$	2024 S\$
<u>Other operating expenses include: (Cont'd)</u>		
- Felicitation and appreciation expenses	1,170	1,275
- Fines and penalty	6,150	5,650
- Gifts and sponsorships	200	-
- Housekeeping and cleaning	582,629	458,829
- Information technology and software related expenses	343,693	386,230
- Insurance expenses	36,018	37,881
- Landscaping expenses	20,468	21,100
- Lease interest charges	48,221	52,942
- Lease of photocopier	39,804	39,371
- Lease of premises	53,953	53,676
- Legal expenses	25,426	26,400
- License fee	9,878	16,397
- Medical expenses	11,352	-
- Miscellaneous expenses	656	4,478
- Motor vehicle expenses	106,543	196,015
- Newspaper and periodicals	4,689	5,036
- Photography expenses	2,271	659
- Printing and stationery	188,477	193,599
- Professional fees	29,100	27,378
- Property tax	28,608	31,344
- Property, plant and equipment written off (Note 4)	79,445	23,088
- Provision for expected credit losses for trade receivables (Note 9)	198,730	86,948
- Refreshment expenses	51,724	24,959
- Repairs and maintenance	217,505	186,694
- Repatriation expenses	1,173	2,271
- Reversal of provision for expected credit losses on trade receivables (Note 9)	(673)	(88,107)
- Security services	230,400	220,200
- Subscription fees	6,098	3,732
- Telephone, postage and fax	193,097	101,546
- Transport and travelling charges	203,098	249,966
- Upkeep of building maintenance	133,059	98,745
- Warehouse and storage charges	544	-
- Vehicle rental expenses	-	24,800
	<u> </u>	<u> </u>

Included in general consultancy is a total sum of S\$84,000 (2024: S\$78,000) paid in respect of key management personnel who are members of the Executive Council of the Society.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. INCOME STATEMENT BY DIVISION EXCLUDING HEADQUARTERS DIVISION

	Jamiyah Home for the Aged S\$	Jamiyah Halfway House S\$	Jamiyah Nursing Home S\$	Jamiyah Academy f.k.a. Jamiyah Education Centre S\$	Jamiyah Child Care Centre S\$	Clementi Student Care Centre S\$	Rivervale Student Care Centre S\$	Global Child Development Centre - Tampines Centre S\$	Global Child Development Centre - Woodlands Centre S\$	Jamiyah Kindergarten S\$	Total S\$
2025											
Income	2,783,485	4,058,618	12,930,272	477,856	635,413	68,305	102,224	469,671	261,389	371,633	22,158,866
Less: Direct expenses	(580,680)	(438,168)	(2,162,875)	(397,721)	(229,709)	(40,229)	(69,046)	(126,925)	(84,331)	(205,746)	(4,335,430)
Less: Staff costs	(1,723,615)	(1,262,861)	(6,382,407)	(201,744)	(633,874)	(127,348)	(239,210)	(605,345)	(437,361)	(519,117)	(12,132,882)
Less: Other operating expenses	(572,813)	(664,096)	(2,916,090)	(657,825)	(186,855)	(63,021)	(72,497)	(222,474)	(119,179)	(96,878)	(5,571,728)
Surplus/(Deficit) for the financial year from operating activities	(93,623)	1,693,493	1,468,900	(779,434)	(415,025)	(162,293)	(278,529)	(485,073)	(379,482)	(450,108)	118,826
2024											
Income	2,528,445	3,273,671	11,875,843	464,242	681,702	90,672	118,304	545,914	384,417	421,665	20,384,875
Less: Direct expenses	(860,457)	(392,508)	(1,875,888)	(260,203)	(146,508)	(24,642)	(52,949)	(88,703)	(64,697)	(184,747)	(3,951,302)
Less: Staff costs	(1,682,738)	(1,275,778)	(5,535,101)	(157,875)	(645,680)	(125,832)	(232,281)	(512,012)	(397,048)	(399,447)	(10,963,792)
Less: Other operating expenses	(630,668)	(625,004)	(2,815,035)	(598,260)	(194,464)	1,767	(76,215)	(212,531)	(112,786)	(98,822)	(5,362,018)
Surplus/(Deficit) for the financial year from operating activities	(645,418)	980,381	1,649,819	(552,096)	(304,950)	(58,035)	(243,141)	(267,332)	(190,114)	(261,351)	107,763

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. SIGNIFICANT RELATED PARTIES TRANSACTIONS

In addition to the related parties information disclosed elsewhere in the financial statements, the following transactions with the related parties took place at terms agreed between parties during the financial year.

Related party transactions shown in the account as:	Type of relationship between the division and related party:	2025 S\$	2024 S\$
Direct expenses	Company with common key management personnel	748,147	530,109
Direct expenses - residents' meals	Company with common key management personnel	2,749,716	1,903,953
Direct expenses - students'/ residents' education	Company with common key management personnel	73,599	-
Staff costs - staff meals, casuals/ general labour	Company with common key management personnel	920,385	547,380
Other welfare department expenses	Company with common key management personnel	115,963	342,380
Other operating expenses - entertainment, refreshment, project and event expense, housekeeping and cleaning expenses	Company with common key management personnel	373,957	499,000

Compensation of key management personnel

The remuneration of key management personnel during the financial year is as follows:

	2025 S\$	2024 S\$
Salaries and bonuses	484,949	350,095
Employer's contribution to Central Provident Fund	60,664	39,600
Other benefits	-	1,000
	<u>545,613</u>	<u>390,695</u>

	2025 S\$	2024 S\$
Number of key managements in remuneration bands:		
S\$100,001 to \$200,000	4	3
S\$100,000 and below	1	3
	<u>5</u>	<u>6</u>

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONT'D)

Compensation of key management personnel (Cont'd)

The annual remuneration (comprising basic salary, bonuses, employer's CPF contributions) of the three highest paid staff classified by remuneration bands are as follows:

	2025 S\$	2024 S\$
S\$100,001 to \$200,000	<u>3</u>	<u>3</u>

Number of paid staff who are close members of the family of the Executive Council members, who each remuneration exceeding S\$50,000 during the financial year, in remuneration bands as follows:

	2025 S\$	2024 S\$
S\$50,001 to \$100,000	<u>2</u>	<u>2</u>

21. FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives and policies

The Society's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk.

The Executive Council review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Society's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Summary of financial instruments

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2025 S\$	2024 S\$
Financial assets measured at amortised cost		
Amounts due from related parties (Note 7)	177,604	213,604
Trade receivables (Note 9)	296,831	731,811
Other receivables and deposits (Note 10)	2,606,732	2,282,940
Cash and cash equivalents (Note 11)	<u>32,449,487</u>	<u>36,617,758</u>
Total financial assets measured at amortised cost	<u><u>35,530,654</u></u>	<u><u>39,846,113</u></u>
Financial liabilities measured at amortised cost		
Lease liabilities (Note 15)	1,911,009	2,901,785
Trade payables (Note 16)	470,781	405,837
Other payables and accruals (Note 17)	<u>2,649,989</u>	<u>1,591,272</u>
Total financial liabilities measured at amortised cost	<u><u>5,031,779</u></u>	<u><u>4,898,894</u></u>

(c) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's exposure to credit risk arises primarily from amounts due from related parties, trade receivables, and other receivables and deposits. For other financial assets (including cash and cash equivalents), the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

The Society has adopted a policy of only dealing with creditworthy counterparties. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

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 Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

To minimise credit risk, the Society has developed and maintained the Society's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Society's own trading records to rate its major customers and other debtors. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Society determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories:

Category	Definition	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL - credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
2025						
Trade receivables	9	A	Lifetime ECL (simplified)	821,642	(524,811)	296,831
Other receivables and deposits	10	I	12-month ECL	2,606,732	-	2,606,732
Amounts due from related parties	7	I	12-month ECL	177,604	-	177,604
					<u>(524,811)</u>	
2024						
Trade receivables	9	A	Lifetime ECL (simplified)	1,141,572	(409,761)	731,811
Other receivables and deposits	10	I	12-month ECL	2,282,940	-	2,282,940
Amounts due from related parties	7	I	12-month ECL	213,604	-	213,604
					<u>(409,761)</u>	

Trade receivables (Note A)

For trade receivables, the Society has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Society determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Trade receivables (Note A) (Cont'd)

	Trade receivables					Total S\$
	Not past due S\$	Days past due			> 120 days S\$	
	31 - 60 days S\$	61 - 90 days S\$	91 - 120 days S\$			
2025						
ECL rate	0%	47.34%	56.49%	79.87%	85.26%	
Estimated total gross carrying amount at default	171,526	43,780	39,899	26,392	540,045	821,642
ECL	-	(20,727)	(22,540)	(21,079)	(460,465)	<u>(524,811)</u>
						<u>296,831</u>
2024						
ECL rate	0%	39.52%	43.24%	41.57%	61.12%	
Estimated total gross carrying amount at default	366,330	148,613	125,179	49,054	452,396	1,141,572
ECL	-	(58,732)	(54,124)	(20,394)	(276,511)	<u>(409,761)</u>
						<u>731,811</u>

Information regarding expected credit losses movement of trade receivables is disclosed in Note 9.

Other receivables and deposits and amounts due from related parties

The Society assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which they operate and concluded that there has been no significant increase in credit risk since the initial recognition of the financial assets. The other divisions are also a constituent part of the Society which will provide the necessary financial support to the Division to enable the Division to continue operations and to meet its liabilities as and when they fall due. Accordingly, the Society measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(d) Liquidity risk

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Society's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Society finances its working capital requirements through a combination of funds generated from operations and headquarters. The Executive Council are satisfied that funds are available to finance the operations of the Society.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (Cont'd)

The tables below analyses the Society's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Carrying amount S\$	Contractual cash flows S\$	Within 1 year S\$	After 1 year but not more than 5 years S\$
2025				
Lease liabilities	1,911,009	2,015,487	935,196	1,080,291
Trade payables	470,781	470,781	470,781	-
Other payables and accruals	2,649,989	2,649,989	2,649,989	-
	<u>5,031,779</u>	<u>5,136,257</u>	<u>4,055,966</u>	<u>1,080,291</u>
2024				
Lease liabilities	2,901,785	2,974,484	1,038,997	1,935,487
Trade payables	405,837	405,837	405,837	-
Other payables and accruals	1,591,272	1,591,272	1,591,272	-
	<u>4,898,894</u>	<u>4,971,593</u>	<u>3,036,106</u>	<u>1,935,487</u>

(e) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Society's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Society does not expect any significant effect on the Society's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Market risk (Cont'd)

Interest rate risk (Cont'd)

Fixed rate financial instruments

Where the Society holds various fixed rate financial instruments, the Society may provide the following details.

At the reporting date, the interest rate profile of the Society's interest-bearing financial instruments was as follows:

	2025 S\$	2024 S\$
Fixed rate instruments		
Financial assets	5,755,447	8,542,912
Financial liabilities	<u>(1,911,009)</u>	<u>(2,901,785)</u>
	<u>3,844,438</u>	<u>5,641,127</u>

Interest rate details for fixed deposits and lease liabilities have been disclosed in Note 11 and Note 15 to the financial statements respectively.

(f) Fair values of financial instruments

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 both financial assets and 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.

22. TAX EXEMPT RECEIPTS

Tax exempt receipts were issued by the Society and its activity centres during the financial year for donations received amounting to S\$10,103,760 (2024: S\$7,947,132), which include those donations received via GIRO and from the Society's staff members through monthly salary deductions.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. CONTINGENT LIABILITIES AND COMMITMENT

As at the reporting date, the Society had contingent liabilities amounting to approximately S\$10,800 (2024: S\$10,800) in respect of bank guarantees issued in favour of third parties to guarantee the due performance of other Divisions of the Society, secured against pledged fixed deposits (Note 11).

The Society was committed to making the following payments in relation to consultancy fee.

	2025 S\$	2024 S\$
<u>General consultancy</u>		
- Within one year	<u>203,000</u>	<u>135,600</u>

Included in general consultancy is a total sum of S\$84,000 (2024: S\$28,000) paid in respect of key management personnel who are members of the Executive Council of the Society.

24. RESERVE POLICY

The Executive Council has established a reserve policy for the Society, pursuant to the Code of Governance for Charities and IPCs Guidelines 6.4.1. The reserve measurements are calculated as follows:

	2025 S\$	2024 S\$
Total unrestricted funds	55,535,965	53,257,047
Total operating expenditure	36,425,984	33,115,046
Ratio of reserves to annual operating expenditure	<u>1.52</u>	<u>1.61</u>

The Executive Council of the Society intends to maintain the reserve to maximum five times of the annual operating expenditure. Any amount in excess of this may be invested in accordance with the decision of the of the Executive Council of the Society.

25. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 1 January 2026, the Society entered into tenancy agreements with a related party for the lease of 2-unit food factory commencing on 1 April 2026. The related party is a company controlled by a member of the Executive Council. The Executive Council member who has an interest in the Company did not take part in the discussion or approval of the tenancy agreement, in line with the Society's conflict of interest policy.

As the agreements were entered into after the reporting date and does not provide evidence of conditions existing at the reporting date, no adjustment has been made to these financial statements.

THE MUSLIM MISSIONARY SOCIETY, SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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 January 2026	<ul style="list-style-type: none"> Amendments to FRS 109 <i>Financial Instruments</i> and FRS 107 <i>Financial Instruments: Disclosures</i>: Amendments to the Classification and Measurement of Financial Instruments
1 January 2026	<ul style="list-style-type: none"> Annual Improvement to FRSs Volume 11
1 January 2026	<ul style="list-style-type: none"> Amendments to FRS 109 <i>Financial Instruments</i> and FRS 107 <i>Financial Instruments: Disclosures</i>: Contracts Referencing Nature-dependent Electricity
1 January 2027	<ul style="list-style-type: none"> FRS 118 <i>Presentation and Disclosure in Financial Statements</i>
1 January 2027	<ul style="list-style-type: none"> FRS 119 <i>Subsidiaries and Small Entities without Public Accountability: Disclosures</i>
Date to be determined	<ul style="list-style-type: none"> Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i>: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Executive Council expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

FRS 118 *Presentation and Disclosure in Financial Statements* introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to FRS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. FRS 118, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. FRS 118 will apply retrospectively.