



Audited Financial Statements for the Year ended 31 December 2019





Audited Financial Statements for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Registration number: S66SS0027A

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

EXECUTIVE COUNCIL

SUHAIMI BIN SALLEH
DJUANDA BIN KAMID
WAN HUSSIN HAJI ZOOHRI
HALIL BIN HAJI MANSOR
DR SYED HARUN BIN TAHA ALHABSYI
ABDUL HAMID BIN ABDULLAH
NADIA YEO
ABDULLAH ARIEF BIN ALI
ABDUL ROHIM BIN SARIP
HAMZAH B ABDUL MUTALIB
MOHAMMAD JAMALLUDIN BIN MOHAMMAD AFFANDI
NADIA AHMAD SAMDIN
RAHAYU BINTE MOHAMAD
SHAIK MOHAMMAD IQBAL BIN SHAIK HUSSAIN

PRESIDENT
DEPUTY PRESIDENT
PAST PRESIDENT
HONORARY SECRETARY
ASSISTANT HONORARY SECRETARY
HONORARY TREASURER
ASSISTANT HONORARY TREASURER
COUNCIL MEMBER
COUNCIL MEMBER
COUNCIL MEMBER
COUNCIL MEMBER
COUNCIL MEMBER
COUNCIL MEMBER
COUNCIL MEMBER

REGISTERED OFFICE

448 Changi Road
#04-01 Wisma Indah
Singapore 419975

AUDITORS

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

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LEMBAGA BIASISWA KENANGAN MAULUD

Statement by the Executive Council

In our opinion, the accompanying balance sheet, statement of financial activities and statement of cash flows together with the notes thereon are drawn up so as to exhibit a true and fair view of the financial position of LEMBAGA BIASISWA KENANGAN MAULUD (the "Society") as at 31 December 2019, and of the financial performance and cash flows of the Society for the financial year ended on that date.

On behalf of the Executive Council,



SUHAIMI SALLEH
President



ABDUL HAMID ABDULLAH
Honorary Treasurer

Singapore,
15 July 2020

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LEMBAGA BIASISWA KENANGAN MAULUD

INDEPENDENT AUDITOR'S REPORT

To the Executive Council of
LEMBAGA BIASISWA KENANGAN MAULUD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of LEMBAGA BIASISWA KENANGAN MAULUD (the "Society") which comprise the balance sheet as at 31 December 2019, the statement of financial activities and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 and the Charities Act, Cap. 37 and other relevant regulations (collectively herein known as the "Acts") and Charities Accounting Standard ("CAS") so as to give a true and fair view of the state of affairs of the Society as at 31 December 2019 and the results and changes in cash flows of the Society for the financial year ended on that date.

Basis for Opinion

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

Other Information

The Executive Council is responsible for the other information. The other information (obtained by us prior to the date of our auditor's report) comprises the Annual Report for the year ended 31 December 2019, but does not include the financial statements and our auditor's report thereon. The Society's Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Audited Financial Statements
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LEMBAGA BIASISWA KENANGAN MAULUD
INDEPENDENT AUDITOR'S REPORT

Responsibilities of Executive Council for the Financial Statements

The Executive Council is responsible for the preparation of these financial statements that give a true and fair view in accordance with the provisions of the Acts and CAS 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 financial activities and balance sheet and to maintain accountability of assets.

In preparing the financial statements, the Executive Council 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 either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Council.

Audited Financial Statements
for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD
INDEPENDENT AUDITOR'S REPORT

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

- Conclude on the appropriateness of the 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 the Executive Council 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, the accounting and other records required by the Acts to be kept by the Society have been properly kept in accordance with the provisions of the Acts.

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

Reanda Adept PAC

Reanda Adept PAC
Public Accountants and
Chartered Accountants

Singapore,
15 July 2020

Audited Financial Statements
for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Statement of Cash Flows

For the financial year ended 31 December 2019

	Note	2019 S\$	2018 S\$
OPERATING ACTIVITIES			
Net surplus for the financial year			
- Unrestricted funds		95,740	78,909
- Restricted funds		176,106	139,080
		271,846	217,989
ADJUSTMENTS FOR:			
Depreciation of investment property	6	8,008	8,008
Depreciation of plant and equipment	5	17,466	16,085
Interest income		(93,343)	(58,161)
		(67,869)	(34,068)
OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES		203,977	183,921
CHANGES IN WORKING CAPITAL			
Decrease/(increase) in other receivables		13,907	330,145
(Decrease)/increase in other payables		(24,909)	(392,626)
NET CHANGES IN WORKING CAPITAL		(11,002)	(62,481)
CASH FLOWS GENERATED FROM/(USED IN) OPERATIONS		192,975	121,440
Interest received		93,343	58,161
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		286,318	179,601
INVESTING ACTIVITY			
Acquisition of plant and equipment	5	(18,884)	(3,771)
NET CASH FLOWS USED IN INVESTING ACTIVITY		(18,884)	(3,771)
NET INCREASE IN CASH AND CASH EQUIVALENTS		267,434	175,830
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		5,105,723	4,929,893
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	7	5,373,157	5,105,723

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

Audited Financial Statements
for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

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

1 SOCIETY INFORMATION

LEMBAGA BIASISWA KENANGAN MAULUD (PROPHET MUHAMMAD'S BIRTHDAY MEMORIAL SCHOLARSHIP FUND BOARD) (the "Society") (Registration number: S66SS0027A) is a Society registered in Singapore under the Societies Act, Chapter 311 on 17 February 1966. The registered office of the Society is at 448 Changi Road, #04-01 Wisma Indah, Singapore 419975.

The Society is an approved charity under the Charities Act, Cap. 37 since 16 October 1985. Its status of an Institution of a Public Character ("IPC") was renewed for from 1 Sept 2018 to 31 August 2021.

The principal activity of the Society is to promote education by assisting the needy and deserving students in furthering their education through awards of scholarships, bursaries and study grants.

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution by the Executive Council passed on the date of the Statement by the Executive Council.

2 EXECUTIVE COUNCIL

For the financial year under review, the members of the Executive Council were as follows:

Elected at the Society's AGM on 29 June 2018

Suhaimi Salleh	- President
Djuanda Kamid	- Deputy President
Halil Haji Mansor	- Honorary Secretary
Dr Syed Harun Taha Alhabsyi	- Asst Honorary Secretary
Abdul Hamid Abdullah	- Honorary Treasurer
Nadia Yeo	- Asst Honorary Treasurer
Abdul Rohim Sarip	- Council Member
Shaik Mohammad Iqbal Shaik Hussain	- Council Member
Rahayu Mohammad	- Council Member
Mohammad Jamalludin Mohammad Affandi	- Council Member
Nadia Ahmad Samdin	- Council Member
Hamzah Abdul Mutalib	- Council Member

Co-opted on 21 July 2018

Wan Hussin Haji Zohri	- Past President
Abdullah Arief Ali	- Council Member

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LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements of the Society have been prepared in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and other relevant regulations and Charities Accounting Standard ("CAS").

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 also the functional currency of the Society. Functional currency is the currency of the primary economic environment in which the Society operates.

The preparation of financial statements requires the Executive Council to make judgements estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

There were no critical judgments made in the process of applying the Society's accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Changes in accounting policies

The accounting policies adopted are consistent with the requirements of the CAS and are applied consistently to similar transactions, other events and conditions.

3.3 Investment assets

Investment assets generally include investment properties, investments in debt or equity instruments (investment securities) and cash held for investment purposes.

Investment property

Investment property is held to earn rental income and is measured at cost less accumulated depreciation and impairment losses. The carrying amount includes the cost of replacing part of existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

The building cost is depreciated over a 50-year period on a straight-line basis.

Investment property is derecognised when disposed of or when the investment property is permanently withdrawn from use or no future economic benefit is expected from its disposal. Any gain or loss on the retirement of an investment property is recognised in the statement of financial activities in the year of retirement or disposal.

Audited Financial Statements
for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Investment assets (continued)

Investment property (continued)

The carrying amount of an investment property is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method of investment property are reviewed and adjusted as appropriate at the end of each reporting period. The effects of any revision are included in the statement of financial activities when the changes arise.

3.4 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation. The cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. All borrowing costs relating to the acquisition of plant and equipment are recognised as expenditure in the Statement of Financial Activities in the period which they are incurred. Plant and equipment shall not be revalued and are not required to be assessed for impairment.

Depreciation is calculated on a straight-line basis over their estimated useful lives as follows:

Office equipment	-	5 years
Furniture and fittings	-	5 years
Computers	-	5 years
Renovation	-	5 years

When significant parts of plant and equipment are required to be replaced in intervals, the Society recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Financial Activities as incurred.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of 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 derecognition of the asset is included in the Statement of Financial Activities in the financial year the asset is derecognised.

Audited Financial Statements for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Impairment of non-financial assets

The carrying amounts of the Society's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in Statement of Financial Activities whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

An impairment loss is only revised to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation of impairment, if no impairment loss had been recognised. All reversals of impairment are recognised in the Statement of Financial Activities.

3.6 Financial assets

Financial assets are any assets that are either cash or equity instruments of another entity or that the Society has a contractual right:

- To receive cash or another financial asset from another entity; or
- To exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Society.

Financial assets are recognised on the balance sheet when, and only when the Society becomes a party to the contractual provisions of the financial instruments.

The Society has its financial assets in the following categories: cash and bank balances and other receivables. The classification depends on the purpose for which the assets were acquired.

Other receivables (excluding prepayments) are recognised at their transaction price excluding transaction costs, if any. Transaction costs are recognised as expenditure in the Statement of Financial Activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, other receivables are subsequently measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in Statement of Financial Activities.

The amount of the allowance is the difference between the asset's carrying amount and the undiscounted future cash flows, excluding unearned interest of interest-bearing assets that the Society expects to receive from the assets. The amount of the allowance for impairment is recognized in the Statement of Financial Activities.

Audited Financial Statements for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment of financial assets

The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

An allowance for impairment is established when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables.

In the case of other receivables, the amount of impairment loss is the difference between the financial asset's carrying amount and the undiscounted future cash flows, excluding unearned interest of interest-bearing assets that the Society expects to receive from the assets.

The recognised impairment loss is subsequently reversed if the amount of the impairment loss decreases and the decrease is related objectively to an event occurring after the impairment is recognised. The reversal shall not result in a carrying amount of the financial assets, net of any allowance account that exceeds what the carrying amount would have been had the impairment not previously been recognised. The reversal of impairment loss is recognised in the Statement of Financial Activities.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.9 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when the Society become a party to the contractual provisions of the financial instrument. The Society derecognises financial liabilities when, and only when, the Society's obligations are discharged, cancelled or when they have expired.

3.10 Employee benefits - defined contribution plan

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

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Funds

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Society that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Society. Unrestricted funds are expendable at the discretion of the Executive Council in furtherance of the Society's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict the Executive Council's discretion to apply the fund.

The Society has the following funds:

(a) Unrestricted funds

Unrestricted funds comprise general fund and designated fund. General funds are used for the general purposes of the Society as set out in its governing document. If part of an unrestricted funds is earmarked for a particular project, it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Executive Council's discretion to apply the fund. The Society classifies its General Fund and Sinking Fund as unrestricted funds.

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

(b) Restricted funds

Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the Society.

Restricted funds may only be utilised in accordance with the purposes established by the sources of funds and are in contrast with unrestricted funds over which the Executive Council retains full control to use in achieving its institutional purposes. The Society classifies its Bursary sponsorship fund, LBKM scholarship fund, Donors' corpus fund and Care & Share Grant as restricted funds.

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

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured, regardless of when the payment is made. Income is measured at the fair value of consideration received or receivable.

Donations from corporate sponsorships are accounted for on a receipt basis, except for committed donations and corporate cash sponsorship that are recorded when the commitments are signed.

Rental income from operating leases are recognised on a straight-line basis in accordance with the substance of the relevant agreements.

Interest income on bank accounts, fixed deposits placed with banks are recognised on a time apportioned basis using the effective interest method.

Cash grants received from the government in relation to the Temporary Employment Credit, Special Employment Credit and Wages Credit Scheme are recognised upon receipt.

3.13 Expenditure

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to that activity.

Cost of generating funds

The cost of generating funds are those costs attributable to generating income for the Society, other than those costs incurred in undertaking charitable activities in furtherance of the Society's objects.

Charitable activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Society. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Society as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the charity will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities, legal advice for governing board members, and costs associated with constitutional and statutory requirements.

Other expenditure includes the payment of any expenditure that the Society has not been able to analyse within the main expenditure categories.

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Operating lease

As lessee

Payments made under operating leases are taken to the Statement of Financial Activities on a straight-line basis over the year of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

As lessor

Leases of assets in which a significant portion of the risks and rewards of ownership of the assets are retained by the Society are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.12.

3.15 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 economic resources 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 current pre tax rate that reflects, where appropriate, the risk 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.

3.16 Related parties and transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Society if that person:
 - (i) Has control or joint control over the Society;
 - (ii) Has significant influence over the Society; or
 - (iii) Is a governing board member, trustee or a member of the key management personnel of the Society.

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Related parties and transactions (continued)

b) An entity is related to the Society if any of the following conditions applies:

- (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is controlled or jointly controlled by a person identified in (a);
- (vi) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between the Society and a related party, regardless of whether a price is charged.

3.17 Goods and services tax (GST)

GST incurred on purchase of assets or expenses are recognised as part of the cost of acquisition of the asset or as part of the expense item where applicable. Payables are stated with the amount of GST included.

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

4 RELATED PARTY TRANSACTIONS

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

Except, for the related parties transactions on terms agreed between the Society and its related parties as disclosed below, there are no other transactions and arrangements between the Society and related parties.

Remuneration of key management personnel, Executive Council members and Board of Trustees are as follows:

	2019 S\$	2018 S\$
(i) <u>Meeting attendance allowance paid</u>		
<u>Board of Trustees</u>		
Supki Haji Sidek	50	50
Mohamed Ma'mun HMF Suheimi	-	150
Fatma Osman	50	50
Abdul Hamid Abdullah	-	50
Muhammad Hussin Mutalib	50	100
Muhamad Hassim Ahmad	50	100
Muhammad Taufiq Abdul Majeed	-	100
Ismail Bin Abdullah	50	-
	250	600
	250	600
(ii) <u>Key management personnel remuneration</u>		
Salaries and bonuses	94,637	118,610
Contributions to Central Provident Fund	13,430	18,467
Skill Development levy	771	227
	108,838	137,304
	108,838	137,304

Key management personnel comprise the Executive Director and the Senior Accounts Executive.

The number of employees (including key management personnel) whose remuneration amount is over S\$ 100,000 in the financial year is Nil (2018: Nil).

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

5 PLANT AND EQUIPMENT

	Office equipment S\$	Furniture and fittings S\$	Computers S\$	Renovations S\$	Total S\$
COST					
At 1.1.2018	16,615	20,700	21,196	67,842	126,353
Additions	-	2,318	-	1,453	3,771
At 31.12.2018	16,615	23,018	21,196	69,295	130,124
Additions	1,926	327	16,631	-	18,884
At 31.12.2019	18,541	23,345	37,827	69,295	149,008
	18,541	23,345	37,827	69,295	149,008
ACCUMULATED DEPRECIATION					
At 1.1.2018	11,803	12,676	15,189	35,293	74,961
Depreciation charge	1,582	1,516	2,610	10,377	16,085
At 31.12.2018	13,385	14,192	17,799	45,670	91,046
Depreciation charge	2,344	1,227	3,677	10,218	17,466
At 31.12.2019	15,729	15,419	21,476	55,888	108,512
	15,729	15,419	21,476	55,888	108,512
NET CARRYING VALUE					
At 31.12.2018	3,230	8,826	3,397	23,625	39,078
At 31.12.2019	2,812	7,925	16,352	13,407	40,496
	2,812	7,925	16,352	13,407	40,496

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LEMBAGA BIASISWA KENANGAN MAULUD

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For the financial year ended 31 December 2019

6 INVESTMENT PROPERTY

	2019 S\$
COST	
At 1.1.2018, 31.12.2018 and 31.12.2019	400,400 =====
ACCUMULATED DEPRECIATION	
At 1.1.2018	120,120
Depreciation charge	8,008 -----
At 31.12.2018	128,128
Depreciation charge	8,008 -----
At 31.12.2019	136,136 =====
NET CARRYING VALUE	
At 31.12.2018	272,272 =====
At 31.12.2019	264,264 =====

Investment property is stated at cost less accumulated depreciation and impairment losses. The building cost is depreciated over a period of 50 years on a straight-line basis.

The Executive Council's estimate of the open market value of the property based on its existing use as at 31 December 2019 is S\$2,800,000 (2018: S\$2,800,000). The value is an estimate of the amount for which the asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date. As a result of this valuation, no provision for impairment was recognised in the financial statements for the financial year end as the recoverable amount is greater than the carrying value of the investment property.

The rental income earned from leasing out the investment property for the financial year end amounted to S\$66,000 (2018: S\$64,000). The lease is an operating lease. Direct operating expenses (including property maintenance and property tax) with regards to the investment property and its use amounted to S\$8,306 (2018: S\$7,023).

The property is located at 33 Bussorah Street, Singapore 199451. It is a 2 storey shop house on a piece of land located at Lot 473X Town Subdivision 14. It has a tenure of 99 years beginning 15 October 2003 (83 years remaining).

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LEMBAGA BIASISWA KENANGAN MAULUD

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For the financial year ended 31 December 2019

7 CASH AND CASH EQUIVALENTS

	2019 S\$	2018 S\$
Fixed deposits	5,023,000	4,698,000
Cash at banks	349,457	407,223
Cash in hand	700	500
	-----	-----
	5,373,157	5,105,723
	=====	=====

The fixed deposits earn interest and hibah ranging from 0.35% to 1.92% (2018: 0.35% to 1.80%) per annum and have maturity periods of not more than 24 months.

For the purpose of the statement of cash flows, cash and bank balances comprised the balances as shown above.

8 OTHER RECEIVABLES

	2019 S\$	2018 S\$
Deposits	16,870	20,871
Staff advance	954	-
Prepayments	2,140	9,250
Prepayment - LBKM Future Ready Scholarship	-	3,750
	-----	-----
	19,964	33,871
	=====	=====

9 OTHER PAYABLES

	2019 S\$	2018 S\$
Dr. Muhd Ariff Endowment Fund	12,392	16,627
Rohaya Zainal Abidin Trust Fund	74,995	84,419
Deposits received	12,080	10,640
Accrued operating expenses	120,180	47,527
	-----	-----
	219,647	159,213
	=====	=====

Dr. Muhd Ariff Endowment Fund was set up to provide scholarships and grants for postgraduate research in Malay language, literature, culture and multi-cultural relations and is managed by Nanyang Technological University (NTU). The Society provides secretariat service for the administration of the Fund.

The Rohaya Zainal Abidin Trust Fund is a trust fund created in 2016 from monies collected in a third party crowd funding exercise. The fund is held to pay for regular education expenses of the children of Rohaya binte Zainal Abidin. Each of her 4 children will get biannual sums of between S\$ 750 (for primary school) to S\$ 1,500 (for tertiary institution).

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LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

10 DEFERRED INCOME

	2019 S\$	2018 S\$
MUIS – MUIS Social Work Study Awards	23,000	100,000
Islamic fixed deposit hibah received in advance	43,331	51,674
	-----	-----
	66,331	151,674
	=====	=====

The MUIS Social Work Study Awards (SWSA) is a one-off additional bursary sponsorship of S\$150,000 over a period of 3 years from 2018 to 2020 and is for eligible students to pursue social work and social service studies.

11 FUND ACCOUNTS BALANCES

(a) Unrestricted Funds

Sinking Fund

The Sinking Fund was set up on 31st December 2006 to provide for major repair and maintenance expenditure in respect of the investment property.

Designated Capital Grant Fund

The Designated Capital Grant Fund is set up to account for funds released from the Care & Share Fund for the purchase of plant and equipment. The fund will be subsequently be reduced annually with the depreciation of the corresponding plant and equipment.

(b) Restricted Funds

Bursary Sponsorship Fund

The Bursary Sponsorship Fund, is a restricted fund for distribution on behalf of the donors as per their expressed wishes and when no wishes were expressed, the fund will be used as bursaries for needy students.

LBKM Scholarship Fund

The LBKM Scholarship Fund was created for students who have gained entry into the world's top ten universities such as Harvard, Cambridge and Oxford. The scholarship is also awarded to meritorious students pursuing master degrees in public administration/public policy with the National University of Singapore's Lee Kuan Yew School of Public Policy.

Donors' Corpus Fund

The Donors' Corpus fund was entrusted to the Society for the purpose of distributing the income generated from the investment of the funds as bursaries for needy students.

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LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

11 FUND ACCOUNTS BALANCES (continued)

(b) Restricted Funds (continued)

Care & Share Grant Fund

The Care and Share Grant Fund is set up to account the dollar-for-dollar matching grant received to build the capabilities for the social service sector and supporting social services to meet rising needs.

School Top-Up Fund ("STUF") EZ-Link Top-Up

The STUF EZ-Link Top-Up fund was set up based on the fundamental belief that no child should be disadvantaged in his or her pursuit of education. The Fund assists students in EZ-Link cards top-ups and the purchase of concession passes on a monthly basis so that they do not have to worry about transport for the month.

Unless specifically indicated, the fund balances are not represented by any specific accounts, but are represented by all assets and liabilities of the Society.

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES

	UNRESTRICTED FUNDS			RESTRICTED FUNDS				TOTAL
	General Fund	Sinking Fund	Capital Grant Fund	Bursary Sponsorship Fund	STUF EZLINK TOP-UP	Donors Corpus Fund	Care & Share Grant Fund	
INCOME								
Income from generated funds								
Voluntary income								
Bursary sponsorship	-	-	-	1,125,736	-	-	-	1,125,736
General donations	322,262	-	-	-	-	-	-	322,262
Mosque collection	125,580	-	-	-	-	-	-	125,580
Maulud appeal	152,385	-	-	289,020	-	-	-	441,405
Administration grant	40,000	-	-	-	-	-	-	40,000
Zakat	-	-	-	275,404	-	-	-	275,404
MUIS bursary sponsorship	-	-	-	377,000	-	-	-	377,000
STUF EZ LINK top-up	-	-	-	-	17,110	-	-	17,110
	640,227	-	-	2,067,160	17,110	-	-	2,084,270
Activities for generating funds								
Rental income	16,530	-	-	-	-	-	-	16,530
	16,530	-	-	-	-	-	-	16,530
Investment income								
Rental income from investment property	66,000	-	-	-	-	-	-	66,000
Interest income	93,343	-	-	-	-	-	-	93,343
	159,343	-	-	-	-	-	-	159,343
Other income								
Government grants	6,134	-	-	-	-	-	-	6,134
Management fee income	15,000	-	-	-	-	-	-	15,000
	21,134	-	-	-	-	-	-	21,134
TOTAL INCOME	837,234	-	-	2,067,160	17,110	-	-	2,921,504

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12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	UNRESTRICTED FUNDS			RESTRICTED FUNDS				TOTAL
	General Fund	Sinking Fund	Capital Grant Fund	Bursary Sponsorship Fund	STUF EZLINK TOP-UP	Donors Corpus Fund	Care & Share Grant Fund	
Less: EXPENDITURE								
Cost of generating funds								
Cost of generating voluntary income								
Cost of donation collection	189,188	-	-	-	-	-	11,287	11,287
	189,188	-	-	-	-	-	11,287	11,287
Fundraising expenses								
Rental of premises	16,530	-	-	-	-	-	-	16,530
	16,530	-	-	-	-	-	-	16,530
Investment management cost								
Depreciation of investment prope	8,008	-	-	-	-	-	-	8,008
Property tax	7,000	-	-	-	-	-	-	7,000
Insurance	506	-	-	-	-	-	-	506
Legal and professional fees	800	-	-	-	-	-	-	800
	16,314	-	-	-	-	-	-	16,314
Charitable activities								
Financial awards								
Bursary awards	-	-	-	1,595,905	-	-	600	1,596,505
Scholarship awards	90,000	-	-	-	-	-	97,500	187,500
MUIS SWSA awards	-	-	-	78,000	-	-	-	78,000
Madrasah Awards	-	-	-	3,800	-	-	-	3,800
STUF EZLINK Top-up	-	-	-	-	12,068	-	-	12,068
LBKM NUS Merit awards	-	-	-	28,000	-	-	-	28,000
LBKM ITE Merit awards	-	-	-	21,400	-	-	-	21,400
LBKM ITE Special grants	-	-	-	9,950	-	-	-	9,950
	90,000	-	-	1,737,055	12,068	-	98,100	1,847,223
	90,000	-	-	1,737,055	12,068	-	98,100	1,937,223
Balance carried forward								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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LEMBAGA BIASISWA KENANGAN MAULUD

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12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	2019				TOTAL			
	UNRESTRICTED FUNDS		RESTRICTED FUNDS					
	General Fund	Sinking Fund	Capital Grant Fund	Bursary Sponsorship Fund	STUF EZLINK TOP-UP	Donors Corpus Fund	Care & Share Grant Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Less: EXPENDITURE (continued)								
Charitable activities (continued)								
Balance brought forward	90,000	-	-	1,737,055	12,068	-	98,100	1,847,223
Charitable activities expenses	27,503	-	-	-	-	-	-	27,503
Bursary presentation ceremony	100	-	-	-	-	-	-	100
Youth development expenses	-	-	-	-	-	-	27,344	27,344
Salaries and bonuses	129,916	-	-	-	-	-	-	129,916
Employers' CPF contribution	20,229	-	-	-	-	-	-	20,229
Software, website development & maintenance	428	-	-	-	-	-	13,433	13,433
Community relations	11,335	-	-	-	-	-	-	11,335
	279,511	-	-	1,737,055	12,068	-	138,877	2,167,511
Governance costs								
Salaries and bonuses	99,731	-	-	-	-	-	-	99,731
Employers' CPF contribution	14,233	-	-	-	-	-	-	14,233
Skills development levy	771	-	-	-	-	-	-	771
Rental of premises	42,804	-	-	-	-	-	-	42,804
Depreciation of plant and equipment	17,466	-	-	-	-	-	-	17,466
Utilities	2,075	-	-	-	-	-	-	2,075
Printing and stationery	13,599	-	-	-	-	-	-	13,599
Audit fee	7,500	-	-	-	-	-	-	7,500
	198,179	-	-	-	-	-	-	198,179
Balance carried forward	198,179	-	-	-	-	-	-	198,179

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LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

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12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	2019				TOTAL			
	UNRESTRICTED FUNDS		RESTRICTED FUNDS					
	General Fund	Sinking Fund	Capital Grant Fund	Bursary Sponsorship Fund	STUF EZLINK TOP-UP	Donors Corpus Fund	Care & Share Grant Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Less: EXPENDITURE (continued)								
Governance costs (continued)								
Balance brought forward	198,179	-	-	-	-	-	-	198,179
Annual general meeting expenses	4,015	-	-	-	-	-	-	4,015
Meeting allowances	250	-	-	-	-	-	-	250
Insurance	2,191	-	-	-	-	-	-	2,191
Telecommunication expenses	3,687	-	-	-	-	-	-	3,687
Repair and maintenance	3,562	-	-	-	-	-	-	3,562
Consultancy fee	4,500	-	-	-	-	-	-	4,500
General expenses	1,326	-	-	-	-	-	-	1,326
Staff welfare & gratuity	3,514	-	-	-	-	-	-	3,514
Transportation expenses	2,318	-	-	-	-	-	-	2,318
Postage, courier, stamps and PAYPAL fee	3,015	-	-	-	-	-	-	3,015
Staff refreshment	2,514	-	-	-	-	-	-	2,514
Bank charges	10,229	-	-	-	-	-	-	10,229
Membership and subscription fees	651	-	-	-	-	-	-	651
Seminar and training	-	-	-	-	-	-	8,877	8,877
	239,951	-	-	-	-	-	8,877	248,828
TOTAL EXPENDITURE	741,494	-	-	1,737,055	12,068	-	159,041	2,649,658

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

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12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	2019				2018				TOTAL
	UNRESTRICTED FUNDS		RESTRICTED FUNDS		UNRESTRICTED FUNDS		RESTRICTED FUNDS		
	General Fund	Sinking Fund	Capital Grant Fund	Total	Bursary Sponsorship Fund	STUF EZLINK TOP-UP	Donors Corpus Fund	Care & Share Grant Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	95,740	-	-	95,740	330,105	5,042	-	(159,041)	176,106
Gross transfers between funds									
Allocation of Asnaf Amil	27,540	-	-	27,540	(27,540)	-	-	-	(27,540)
Allocation of annual maintenance for investment property	(10,000)	10,000	-	-	-	-	-	-	-
Allocation to STUF EZLINK Top-up	(10,000)	-	-	(10,000)	-	10,000	-	-	10,000
NET MOVEMENT OF FUNDS	103,280	10,000	-	113,280	302,565	15,042	-	(159,041)	158,566
RECONCILIATION OF FUNDS									
Total funds at beginning of financial year	3,533,333	130,173	32,390	3,695,896	1,237,120	-	48,000	159,041	1,444,161
Total funds at end financial year	3,636,613	140,173	32,390	3,809,176	1,539,685	15,042	48,000	-	1,602,727

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LEMBAGA BIASISWA KENANGAN MAULUD

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12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	2018				2018				TOTAL
	UNRESTRICTED FUNDS		RESTRICTED FUNDS		UNRESTRICTED FUNDS		RESTRICTED FUNDS		
	General Fund	Sinking Fund	Capital Grant Fund	Total	Bursary Sponsorship Fund	LBKM-Scholarship Fund	Donors Corpus Fund	Care & Share Grant Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME									
Income from generated funds									
Voluntary income									
Bursary sponsorship	-	-	-	-	1,083,668	-	-	-	1,083,668
General donations	320,707	-	-	320,707	-	-	-	-	320,707
Mosque collection	125,003	-	-	125,003	-	-	-	-	125,003
Maulud appeal	109,831	-	-	109,831	350,350	-	-	-	460,181
Other income	5,627	-	-	5,627	-	-	-	-	5,627
Administration grant	50,000	-	-	50,000	-	-	-	-	50,000
Zakat	-	-	-	-	271,967	-	-	-	271,967
MUIS bursary sponsorship	-	-	-	-	350,000	-	-	-	350,000
	611,168	-	-	611,168	2,055,985	-	-	-	2,667,153
Activities for generating funds									
Rental income	11,281	-	-	11,281	-	-	-	-	11,281
	11,281	-	-	11,281	-	-	-	-	11,281
Investment income									
Rental income from investment property	64,000	-	-	64,000	-	-	-	-	64,000
Interest income	58,161	-	-	58,161	-	-	-	-	58,161
	122,161	-	-	122,161	-	-	-	-	122,161
TOTAL INCOME	744,610	-	-	744,610	2,055,985	-	-	-	2,800,595

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LEMBAGA BIASISWA KENANGAN MAULUD

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12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	2018					TOTAL		
	UNRESTRICTED FUNDS		RESTRICTED FUNDS					
	General Fund	Sinking Fund	Capital Grant Fund	Bursary Sponsorship Fund	LBKM-Scholarship Fund		Donors Corpus Fund	Care & Share Grant Fund
Less: EXPENDITURE								
Cost of generating funds								
Cost of generating voluntary income								
Cost of donation collection	60,333	-	-	-	-	-	-	60,333
	60,333	-	-	-	-	-	-	60,333
Fundraising expenses								
Rental of premises	11,281	-	-	-	-	-	-	11,281
	11,281	-	-	-	-	-	-	11,281
Investment management cost								
Depreciation of investment property	8,008	-	-	-	-	-	-	8,008
Property tax	6,000	-	-	-	-	-	-	6,000
Upkeep of premises	1,023	-	-	-	-	-	-	1,023
	15,031	-	-	-	-	-	-	15,031
Charitable activities								
Financial awards								
Bursary awards	-	-	-	1,742,955	-	-	-	1,742,955
Scholarship awards	-	-	-	55,853	86,647	-	-	142,500
IIE awards	-	-	-	31,450	-	-	-	31,450
	-	-	-	1,830,258	86,647	-	-	1,916,905
Balance carried forward	-	-	-	1,830,258	86,647	-	-	1,916,905

Audited Financial Statements for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	2018					TOTAL		
	UNRESTRICTED FUNDS		RESTRICTED FUNDS					
	General Fund	Sinking Fund	Capital Grant Fund	Bursary Sponsorship Fund	LBKM-Scholarship Fund		Donors Corpus Fund	Care & Share Grant Fund
Less: EXPENDITURE (continued)								
Charitable activities (continued)								
Balance brought forward								
Bursary presentation ceremony	25,064	-	-	-	-	-	-	25,064
Intern allowance	200	-	-	-	-	-	-	200
Youth development expenses	14,454	-	-	-	-	-	-	14,454
Consultant fee	9,400	-	-	-	-	-	-	9,400
Employers' CPF contribution	29,869	-	-	-	-	-	-	29,869
Software, website development & maintenance	16,014	-	-	-	-	-	-	16,014
Community relations	5,300	-	-	-	-	-	-	5,300
Salaries and bonuses	191,915	-	-	-	-	-	-	191,915
General expenses	707	-	-	-	-	-	-	707
	292,923	-	-	-	292,923	-	-	2,209,828
Governance costs								
Salaries and bonuses	123,451	-	-	-	-	-	-	123,451
Employers' CPF contribution	18,223	-	-	-	-	-	-	18,223
Skills development levy	657	-	-	-	-	-	-	657
Rental of premises	39,054	-	-	-	-	-	-	39,054
Depreciation of plant and equipment	16,085	-	-	-	-	-	-	16,085
Utilities	2,379	-	-	-	-	-	-	2,379
Printing and stationery	8,860	-	-	-	-	-	-	8,860
Audit fee	7,500	-	-	-	-	-	-	7,500
	216,209	-	-	-	-	-	-	216,209
Balance carried forward	216,209	-	-	-	-	-	-	216,209

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LEMBAGA BIASISWA KENANGAN MAULUD

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12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	2018					TOTAL		
	UNRESTRICTED FUNDS		RESTRICTED FUNDS					
	General Fund	Sinking Fund	Capital Grant Fund	Bursary Sponsorship Fund	LBKM-Scholarship Fund		Donors Corpus Fund	Care & Share Grant Fund
Less: EXPENDITURE (continued)								
Governance costs (continued)								
Balance brought forward								
Annual general meeting expenses	216,209	-	-	-	-	-	-	216,209
Meeting allowances	10,298	-	-	-	-	-	-	10,298
Insurance	950	-	-	-	-	-	-	950
Telecommunication expenses	2,223	-	-	-	-	-	-	2,223
Repair and maintenance	3,546	-	-	-	-	-	-	3,546
Advertising expenses	5,499	-	-	-	-	-	-	5,499
Consultancy fee	814	-	-	-	-	-	-	814
Staff welfare & gratuity	18,400	-	-	-	-	-	-	18,400
Transportation expenses	2,668	-	-	-	-	-	-	2,668
Postage, courier, stamps and PAYPAL fee	2,627	-	-	-	-	-	-	2,627
Staff refreshment	3,232	-	-	-	-	-	-	3,232
Bank charges	813	-	-	-	-	-	-	813
Membership and subscription fees	6,125	-	-	-	-	-	-	6,125
Seminar and training	268	-	-	-	-	-	-	268
	12,461	-	-	-	-	-	-	12,461
	286,133	-	-	-	-	-	-	286,133
	665,701	-	-	-	1,830,258	86,647	-	1,916,905
TOTAL EXPENDITURE								2,582,606

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LEMBAGA BIASISWA KENANGAN MAULUD

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12 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	2018					TOTAL		
	UNRESTRICTED FUNDS		RESTRICTED FUNDS					
	General Fund	Sinking Fund	Capital Grant Fund	Bursary Sponsorship Fund	LBKM-Scholarship Fund		Donors Corpus Fund	Care & Share Grant Fund
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	78,909	-	-	225,727	(86,647)	-	-	217,989
Gross transfers between funds								
Allocation of Asnaf Amil	27,197	-	-	(27,197)	-	-	-	-
Allocation of annual maintenance for investment property	(10,000)	10,000	-	-	-	-	-	-
NET MOVEMENT OF FUNDS	96,106	10,000	-	198,530	(86,647)	-	-	217,989
RECONCILIATION OF FUNDS								
Total funds at beginning of financial year	3,437,227	120,173	32,390	1,038,590	86,647	48,000	159,041	4,922,068
Total funds at end financial year	3,533,333	130,173	32,390	1,237,120	-	48,000	159,041	5,140,057

Audited Financial Statements for the Year ended 31 December 2019

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LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

13 INCOME TAX

The Society is a registered Charity under the Charities Act (Chapter 37) and being a charity, its income is exempted from income tax.

14 TAX-EXEMPT RECEIPTS

During the financial year, the Society issued tax-exempt receipts for donations collected amounting to S\$1,512,584 (2018: S\$1,557,894).

15 OPERATING LEASE COMMITMENTS

As lessee

Future minimum rental payables under operating leases at the balance sheet date are as follows: -

	2019 S\$	2018 S\$
Payable within one year	46,127	60,404
Payable after one year but not more than five years	-	37,181
	46,127	97,585
	46,127	97,585

Rental expenses incurred for the office premise during the financial year for the Society was S\$59,334 (2018: S\$ 50,388).

Audited Financial Statements
for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

15 OPERATING LEASE COMMITMENTS (continued)

As lessor

Future minimum rental receivables under operating leases at the balance sheet date are as follows:-

	2019 S\$	2018 S\$
Receivable within one year	66,000	66,000
Receivable after one year but not more than five years	22,000	88,000
	88,000	154,000
	88,000	154,000

Rental income earned from the investment property during the financial year for the Society was S\$ 66,000 (2018: S\$ 64,000).

The lease agreements do not contain any contingent rent payment.

16 MANAGEMENT OF RESERVES

The Society regards its unrestricted general fund as its reserves.

The reserves that the Society set aside provide financial stability and the means for the development of the Society's principal activities.

The Society intends to use the reserves for bursaries for needy students, financial and social assistance to needy students and scholarships to meritorious students.

The Reserve Policy adopted by the Society are as below:

- i) To maintain its reserves at a level which is at least 3 years of operating expenditure.
- ii) The Executive Council members regularly review the amount of reserves that are required to ensure that it is sufficient to fulfill the Society continuing obligations on quarterly basis.
- iii) The reserves shall not be utilised except with the approval of the President and Honorary Treasurer or Assistant Honorary Treasurer, and only when the cashflow falls below 3 months of the monthly operating expenses.

The statement of accounts was presented at each Executive Council meeting for the Council to review and monitor the reserves.

Audited Financial Statements
for the Year ended 31 December 2019

LEMBAGA BIASISWA KENANGAN MAULUD

Notes to the Financial Statements

For the financial year ended 31 December 2019

16 MANAGEMENT OF RESERVES (continued)

Net cash reserves of the Society are as follows:

	2019 S\$	2018 S\$
Cash and cash equivalents (Note 7)	5,298,265	5,021,354
Other receivables (excluding prepayments) (Note 8)	17,824	20,871
Less: Other payables (Note 9)	(144,652)	(74,794)
	-----	-----
	5,171,437	4,967,431
	=====	=====

The Society's overall approach to management of reserves remains unchanged from the previous financial year.

The Society is not subject to any externally imposed capital requirements.


17 EVENTS OCCURRING AFTER THE REPORTING PERIOD


The Coronavirus Disease (COVID-19) outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has impacted the Society's operations and its financial performance subsequent to the financial year end.

The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location. As a result, the Society suspended operations at its registered office from 7 April 2020 to 1 June 2020.

As the situation continues to evolve with significant level of uncertainty, the Society is unable to reasonably estimate the full financial impact of the COVID-19 outbreak. The Society continues to monitor the impact of the virus outbreak as part of its risk management activities.

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