

MAJLIS UGAMA ISLAM SINGAPURA FITRAH ACCOUNT

(Incorporated in Singapore)



FINANCIAL STATEMENTS

for the financial year ended 31 December 2003

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Auditors' Report on the Financial Statements of Majlis Ugama Islam Singapura - Fitrah Account

We have audited the financial statements of the Majlis Ugama Islam Singapura Fitrah Account ("Majlis") for the financial year ended 31 December 2003 set out on pages 89 to 99. These financial statements are the responsibility of the Majlis. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying financial statements are properly drawn up in accordance with the provisions of the Administration of Muslim Law (Fitrah) Rules 1985 and the Administration of Muslim Law (Fitrah) (Amendment) Rules 1991, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Majlis as at 31 December 2003, its results, changes in funds and cash flows of the Majlis for the financial year then ended;
- (b) proper accounting and other records have been kept including records of all assets of the Majlis relating to the collection of fitrah whether purchased, donated or otherwise; and
- (c) the receipt, expenditure, and investment of monies and the acquisition and disposal of assets by the Majlis during the financial year were in accordance with the provisions of the Administration of Muslim Law (Fitrah) Rules 1985 and the Administration of Muslim Law (Fitrah) (Amendment) Rules 1991.



PricewaterhouseCoopers
Certified Public Accountants

Singapore, 30 April 2004

Income and Expenditure Statement *for the financial year ended 31 December 2003*

	Notes	2003 \$	2002 \$
Operating income	3	14,313,464	13,826,707
Operating expenditure	4 & 5	(12,317,421)	(14,591,508)
Operating surplus/(deficit)		1,996,043	(764,801)
Non-operating income	6	212,075	74,663
Surplus/(deficit) before interest allocation transferred to Baitulmal (interest) fund		2,208,118	(690,138)
Interest allocation transferred to Baitulmal (interest) fund	6	(54,324)	(46,013)
Net surplus/(deficit) transferred to accumulated fund		2,153,794	(736,151)



MOHAMMAD ALAMI MUSA
President

Singapore, 30 April 2004



SYED HAROON ALJUNIED
Secretary

MAJLIS UGAMA ISLAM SINGAPURA | FITRAH ACCOUNT

Balance Sheets *as at 31 December 2003*

	Notes	2003 \$	2002 \$
Baitulmal (interest) fund	6	54,324	46,013
Accumulated fund		14,138,645	11,984,851
		14,192,969	12,030,864
Represented by:			
Current assets			
Cash at bank and on hand		10,643,100	5,194,497
Other debtors	7	1,435,071	248,195
		12,078,171	5,442,692
Non-current assets			
Investments	8	5,750,000	9,000,000
Property, plant and equipment	9	177,899	187,198
		5,927,899	9,187,198
Total assets		18,006,070	14,629,890
Current liability			
Other creditors	10	3,813,101	2,599,026
Net assets		14,192,969	12,030,864



MOHAMMAD ALAMI MUSA
President

Singapore, 30 April 2004



SYED HAROON ALJUNIED
Secretary

MAJLIS UGAMA ISLAM SINGAPURA | FITRAH ACCOUNT

Statement of Changes In Funds *for the financial year ended 31 December 2003*

	Accumulated <u>fund</u> \$	Baitulmal (interest) <u>fund</u> \$	<u>Total</u> \$
Balance at 1 January 2003	11,984,851	46,013	12,030,864
Total recognised gain for the financial year - net surplus	2,153,794	-	2,153,794
Interest transferred from the income and expenditure statement	-	54,324	54,324
Amount paid to Baitulmal	-	(46,013)	(46,013)
Balance at 31 December 2003	14,138,645	54,324	14,192,969
Balance at 1 January 2002	12,721,002	154,286	12,875,288
Total recognised loss for the financial year - net deficit	(736,151)	-	(736,151)
Interest transferred from the income and expenditure statement	-	46,013	46,013
Amount paid to Baitulmal	-	(154,286)	(154,286)
Balance at 31 December 2002	11,984,851	46,013	12,030,864

*The accompanying notes form an integral part of these financial statements.
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MAJLIS UGAMA ISLAM SINGAPURA | FITRAH ACCOUNT

Cash Flow Statement *for the financial year ended 31 December 2003*

	2003 \$	2002 \$
Cash flows from operating activities		
Excess/(shortfall) of income over expenditure	2,208,118	(690,138)
Adjustments for:		
Depreciation	101,666	122,190
Interest income	(54,324)	(46,013)
Profit on sale of assets	-	(1,854)
Operating cash flow before working capital change	2,255,460	(615,815)
Change in operating assets and liabilities		
Other debtors	(1,186,876)	264,268
Other creditors	1,214,075	1,111,203
Cash generated from operations	2,282,659	759,656
Interest received	54,324	46,013
Payment to Baitulmal Fund	(46,013)	(154,286)
Net cash inflow from operating activities	2,290,970	651,383
Cash flows from investing activities		
Purchase of plant and equipment	(92,367)	(143,167)
Proceeds from disposal of plant and equipment	-	3,383
Receipts/(payment) for investments - net	3,250,000	(4,500,000)
Net cash inflow/(outflow) from investing activities	3,157,633	(4,639,784)
Net increase/(decrease) in cash and cash equivalents held	5,448,603	(3,988,401)
Cash and cash equivalents at the beginning of the financial year	5,194,497	9,182,898
Cash and cash equivalents at the end of the financial year	10,643,100	5,194,497

*The accompanying notes form an integral part of these financial statements.
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Notes to the Financial Statements *for the financial year ended 31 December 2003*

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

1. General

Majlis Ugama Islam Singapura is established in the Republic of Singapore as a statutory board with its registered office at 273 Braddell Road, Singapore 579702.

The principal activities of the Majlis Ugama Islam Singapura Fitrah Account (“Majlis”) is to administer the collections of Fitrah and Zakat Harta and their disbursements in accordance with the Administration of Muslim Law (Fitrah) Rules 1985 and the Administration of Muslim Law (Fitrah) (Amendment) Rules 1991.

2. Significant accounting policies

(a) Effect of changes in Singapore Companies Legislation

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from financial year commencing on or after 1 January 2003, Singapore constituted entities are required to prepare and present their statutory accounts in accordance with the Singapore Financial Reporting Standards (“FRS”). Hence, these financial statements, including the comparative figures, have been prepared in accordance with FRS.

Previously, the Majlis prepared its statutory accounts in accordance with Singapore Statements of Accounting Standard. The adoption of FRS does not have material impact on the accounting policies and figures presented in the statutory accounts for financial year ended 31 December 2002.

(b) Basis of preparation

The financial statements are prepared in accordance with and comply with Singapore Financial Reporting Standards and the provisions of the Administration of Muslim Law (Fitrah) Rules 1985 and the Administration of Muslim Law (Fitrah) (Amendment) Rules 1991. The financial statements are prepared under the historical cost convention.

The financial statements are expressed in Singapore Dollars.

(c) Income and expenditure recognition

Donations, Fitrah and Zakat Harta collections are recognised on a cash basis.

Interest income from bank deposits is recognised on an accrual basis.

Expenditure is accounted for on an accrual basis.

Notes to the Financial Statements *for the financial year ended 31 December 2003*

2. Significant accounting policies *(continued)*

(d) Taxation

The Majlis is exempt from income tax under Section 14(1) (g) of the Income Tax Act.

(e) Cash and cash equivalents

Cash and cash equivalents are stated in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

(f) Investments

Investments that are intended to be held for the long term are stated at cost and an allowance for diminution is made where, in the opinion of the Majlis, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is taken to the income statement.

(g) Property, plant and equipment

All property, plant and equipment are initially recorded at cost and are subsequently stated at cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis to write off the cost of fixed assets over their expected useful lives. The estimated useful lives are as follows:

Computer software	3 years
Office furniture and equipment	3 - 5 years
Motor vehicle	5 years

Where an indication of impairment exists, the carrying amount of an asset is assessed and written down immediately to its recoverable amount.

(h) Provisions

Provisions are recognised when the Majlis has a present legal or constructive obligation as a result of past events that it is probable an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Notes to the Financial Statements *for the financial year ended 31 December 2003*

2. Significant accounting policies *(continued)*

(i) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

3. Operating income

	2003	2002
	\$	\$
Collections		
- Fitrah	1,803,264	1,695,274
- Zakat Harta	12,510,200	12,131,433
	14,313,464	13,826,707

4. Staff costs

	2003	2002
	\$	\$
Wages and salaries	2,505,684	2,278,173
Employer's contribution to the Central Provident Fund	338,171	333,896
	2,843,855	2,612,069

Number of persons employed during the financial year:

	2003	2002
Full time	58	54
Part time	3	2
	61	56

Notes to the Financial Statements *for the financial year ended 31 December 2003*

5. Other operating expenses

	2003	2002
	\$	\$
Depreciation expense	101,666	122,190
Financial assistance	3,409,785	4,504,079
Grant to organisations	1,127,947	1,878,135
Scholarships and study grants	794,526	1,969,019
Others	4,039,642	3,506,016
	9,473,566	11,979,439

6. Non-operating income

	2003	2002
	\$	\$
Interest income on bank deposits	54,324	46,013
Other income	157,751	28,650
	212,075	74,663

7. Other debtors

	2003	2002
	\$	\$
Prepayments	5,879	-
Other debtors	1,429,192	353,493
Less: Provision for doubtful debts	-	(105,298)
	1,435,071	248,195

Notes to the Financial Statements *for the financial year ended 31 December 2003*

8. Investments

Unquoted investment, at cost

Development fund
Floating rate notes
Unit trust

Unquoted investment, at fair value

Development fund
Floating rate notes
Unit trust

	2003 \$	2002 \$
	4,500,000	4,500,000
	-	3,250,000
	1,250,000	1,250,000
	5,750,000	9,000,000
	4,201,149	3,470,352
	-	3,250,000
	1,250,000	1,256,757
	5,451,149	7,977,109

The development fund, managed by the Majlis Ugama Islam Singapura, was set up in 1996 with the objective to pool surpluses from the Mosques and Wakaf and Trusts for investment purposes to enhance management of funds and for interest-free loans to old mosques for redevelopment projects.

Majlis Ugama Islam Singapura invested the development fund in a portfolio comprising unit trusts, quoted equity shares, bonds, funds with fund managers and fixed deposits. Majlis Ugama Islam Singapura - General Endowment Fund guarantees the principal invested in the development fund.

There is no floating rate note as at 31 December 2003. In 2002, the floating rate notes bear an effective weighted average interest rates of 1.3% per annum with maturity dates from January 2003 to June 2003.

Notes to the Financial Statements *for the financial year ended 31 December 2003*

9. Property, plant and equipment

	<u>Computer software</u> \$	<u>Office furniture and equipment</u> \$	<u>Motor vehicle</u> \$	<u>Total</u> \$
<u>Cost</u>				
At 1 January 2003	853,018	225,718	70,236	1,148,972
Additions	74,482	17,885	-	92,367
At 31 December 2003	927,500	243,603	70,236	1,241,339
<u>Accumulated depreciation</u>				
At 1 January 2003	725,440	168,440	67,894	961,774
Depreciation charge	80,455	18,869	2,342	101,666
At 31 December 2003	805,895	187,309	70,236	1,063,440
<u>Net book value</u>				
At 31 December 2003	121,605	56,294	-	177,899
At 31 December 2002	127,578	57,278	2,342	187,198

10. Other creditors

	<u>2003</u> \$	<u>2002</u> \$
Zakat Harta commissions/Amils' commissions	255,044	246,772
Fidyah	103,763	297,125
Sundry creditors	3,508,618	2,101,142
Total	3,867,425	2,645,039
Less: Baitulmal (interest) fund	(54,324)	(46,013)
Net	3,813,101	2,599,026

11. Fair values of financial assets and financial liabilities

The financial assets and financial liabilities of the Majlis comprise of investments, current assets and current liabilities. The fair value of the financial assets and liabilities as at the balance sheet date approximate their carrying amounts as shown in the balance sheets except as disclosed in note 8.

Notes to the Financial Statements *for the financial year ended 31 December 2003*

12. Related party transactions

The following significant transactions took place between the Majlis and related parties during the financial year:

	2003 \$	2002 \$
<u>Baitulmal Fund</u>		
Interest income transferred to Baitulmal	54,324	46,013
Donation to Baitulmal	30,000	535,000
<u>Madrasah Fund</u>		
Donation to Dana Madrasah	500,000	700,000
<u>Scholarship Fund</u>		
Donation to Scholarship Fund	500,000	-

13. Financial risk management

Financial risk factors

The Majlis' activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates.

(i) *Foreign exchange risk*

Due to the nature of the Majlis and the nature of its financial assets and financial liabilities, there is minimal foreign exchange risk to the Majlis.

(ii) *Interest rate risk*

The Majlis' income and operating cash flows are substantially independent of changes in market interest rates. The Majlis has no interest-bearing liabilities.

(iii) *Credit risk*

Due to the nature of the Majlis' activities, it has no significant concentrations of credit risk.

(iv) *Liquidity risk*

The Majlis has no significant liquidity risk as it adopts prudent liquidity risk management policies by maintaining sufficient cash resources.

14. Authorisation of financial statements

The financial statements were authorised for issue by the Majlis Ugama Islam Singapura (Islamic Religious Council of Singapore) on 30 April 2004.

MAJLIS UGAMA ISLAM SINGAPURA | FITRAH ACCOUNT

Statement of Expenditure *for the financial year ended 31 December 2003*

	2003 \$	2002 \$
Amils		
Advertisements	17,652	17,420
Amils' commissions	312,809	300,781
Audit fee	9,500	10,090
Computerisation costs	235,529	364,666
Depreciation	101,666	122,190
Expenditure on manpower	35,382	41,247
Maintenance of vehicles/equipment	3,328	1,811
Miscellaneous	565,875	305,319
Postages and printing	61,985	70,456
Professional fee	13,165	36,150
Public education programmes	44,473	181,405
Public relations expenses	37,474	49,928
Rental of equipment	53,658	59,651
Stationery	73,473	61,162
Training and development	90,449	74,502
Transport	14,825	8,671
	1,670,943	1,705,449
Fakir and Miskin		
Aid to surau/mosques and madrasahs	-	-
Distributions during Ramadan	434,878	506,150
Financial assistance	2,725,240	3,573,076
Grant to organisations	-	281,329
Miscellaneous	10,066	8,243
	3,170,184	4,368,798
Muallaf		
Converts' allowances	118,840	110,820
Grant to other organisations	11,338	60,000
Miscellaneous	1,000	800
	131,178	171,620

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MAJLIS UGAMA ISLAM SINGAPURA | FITRAH ACCOUNT

Statement of Expenditure *for the financial year ended 31 December 2003 (continued)*

	2003 \$	2002 \$
Fissabilillah		
Advertisements	16,584	3,756
Aid to surau/mosques and madrasahs	429,600	341,420
Books and periodicals	234	4,503
Computer expenses	116,571	28,390
Contribution to Dana Madrasah	500,000	700,000
Grant to organisations	421,580	1,311,407
Miscellaneous	60,124	36,110
Office supplies and stationery	22,586	10,475
Postages and phototakings	5,999	16,338
Professional fee	465,026	18,143
Public education programmes	60,044	236,138
Publications	367,644	89,178
Religious activities	86,770	24,397
Religious teachers' allowances	164,559	243,854
Rental	9,538	1,261
Training and seminar	74,052	56,766
Transport and traveling	31,503	21,744
Welfare officers' salaries	2,784,549	2,546,904
	5,616,963	5,690,784
Rekab		
Aid to surau/mosques and madrasahs	650,000	128,460
Miscellaneous	29,648	21,791
Muis scholarships	345,163	223,333
Religious education	-	-
Study grants	478,323	1,745,686
	1,503,134	2,119,270
Ibnissabil		
Air passages	470	1,456
Financial assistances	5,939	7,254
	6,409	8,710
Gharimin		
Aid to surau/mosques and madrasahs	500	130,659
Financial assistances	218,110	396,218
	218,610	526,877
Total expenditure	12,317,421	14,591,508

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