

PERDAUS
(UEN: S64SS0031J)

(Registered as a Society in Singapore)

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

MSA & PARTNERS PAC
Public Accountants and Chartered Accountants
Singapore

PERDAUS
(Reg. No. S64SS0031J)
Registered as a Society in Singapore

REPORT AND FINANCIAL STATEMENTS - 31 DECEMBER 2025

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UNIQUE ENTITY NUMBER	S64SS0031J
DATE OF SOCIETY REGISTRATION	8 May 1964
DATE OF CHARITY REGISTRATION	19 October 2001
REGISTERED ADDRESS	Block 364 Bukit Batok Street 31 #01-259 Singapore 650364
COUNTRY OF REGISTRATION	Singapore
FUNCTIONAL CURRENCY	Singapore Dollar
PRESENTATION CURRENCY	Singapore Dollar

PERDAUS
(Reg. No. S64SS0031J)
(Registered as a Society in Singapore)
Statement by the Management Committee

In the opinion of the Management Committee, the accompanying financial statements are properly drawn up so as to present fairly, in all material respects, the state of affairs of Perdaus (the "Society") as at 31 December 2025 and of the results of its financial activities, changes in funds and cash flows of the Society for the financial year ended on that date.

And 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 Management Committee, comprising the following, authorized the issue of these financial statements on 17 July 2026.

Muhammad Hafiz Bin Noorahman	President
Mohammad Taufiq Bin Mohamed Ismail	Vice President I
Zarina Begam Bte Abdul Razak	Vice President II
Nazlin Binte Mustaffa	Honorary Secretary
Mohammed Farhan Bin Mohammed Tayib	Honorary Treasurer
Muhammad Hairudin Bin Abdul Hamid	Assistant Honorary Secretary
Mohd Azhar Bin Khalid	Assistant Honorary Treasurer
Muhammad Hafiz Bin Osni	Member
Nur Arina Binte Mohd Adom	Member

For and on behalf of the Management Committee



Muhammad Hafiz Bin Noorahman
President



Nazlin Binte Mustaffa
Honorary Secretary



Mohammed Farhan Bin Mohammed Tayib
Honorary Treasurer

Singapore
17 July 2026



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERDAUS

(Registered Society in the Republic of Singapore)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Perdaus (the "Society"), which comprise the statement of financial position of the Society as at 31 December 2025, the statement of financial activities, changes in funds and the statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Society are properly drawn up in accordance with the provisions of the Singapore Societies Act 1966 (the "Societies Act"), Singapore Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and the Singapore Charities Accounting Standards ("CASs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2025 and of the results of the financial activities, changes in funds and cash flows of the Society for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee and the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

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 have 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.

Responsibilities of Management Committee and Those Charged with Governance for the Financial Statements

The Management Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Societies Act 1966, Singapore Charities Act 1994 and the relevant regulations (“the Acts and Regulations”), and CASS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from authorised use or disposition, and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Management Committee 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 Management Committee either intends to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

The Management Committee’s responsibilities include overseeing the Society’s financial reporting process.

Auditors’ 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 auditors’ 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:

- a) 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;
- b) obtain an understanding of internal control 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 control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management;

- d) conclude on the appropriateness of Management Committee'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 auditors' 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 auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern; and
- e) 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 receipt and expenditure by the Society during the year ended 31 December 2025 have been in accordance with provision of the Charities Act.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year the Charity has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

The engagement partner on the audit resulting in this independent auditors' report is Hairunniza Assainar.

MSA & Partners PAC

MSA & Partners PAC
Public Accountants and
Chartered Accountants

Singapore

17 July 2026

PERDAUS
(Reg. No. S64SS0031J)
Statement of Financial Position
As at 31 December 2025

	Notes	2025 \$	2024 \$
ASSETS			
Non-current assets			
Property, plant and equipment	4	75,923	97,895
Structured deposits	5	-	250,000
Total non-current assets		75,923	347,895
Current assets			
Amount owing by related party	6	82,597	82,597
Fees and other receivables	7	429,917	576,969
Fixed deposits	8	2,500,000	1,500,000
Cash and cash equivalents	9	3,570,226	4,624,269
Total current assets		6,582,740	6,783,835
Total assets		<u>6,658,663</u>	<u>7,131,730</u>
LIABILITY AND FUNDS			
Current liability			
Accounts and other payables	10	180,923	224,856
Funds			
General fund - unrestricted	11	5,914,190	6,524,929
Zakat fund - unrestricted	11	563,550	381,945
Total funds		<u>6,477,740</u>	<u>6,906,874</u>
Total liability and funds		<u>6,658,663</u>	<u>7,131,730</u>

The accompanying notes form an integral part of these financial statements

PERDAUS
(Reg. No. S64SS0031J)
Statement of Financial Activities
For the financial year ended 31 December 2025

		Unrestricted		
		General Fund	Zakat Fund	Total
	Notes	\$	\$	\$
2025				
INCOME				
Income from Generated Funds				
<u>Voluntary Income</u>				
Donations - General	13	33,354	-	33,354
Donations - Zakat	11	-	181,605	181,605
Grant Income				
- Training grant/SDF funding		22,634	-	22,634
- Gov't grants - SEC, WCS, TEC, PWCS etc		46,114	-	46,114
- Others		51,774	-	51,774
		<u>153,876</u>	<u>181,605</u>	<u>335,481</u>
<u>Activities for generating funds</u>				
Fundraising project income	13	242,264	-	242,264
Project and events		935	-	935
Qurban		160,048	-	160,048
Registration and course fees		721,948	-	721,948
Sales of items		27,807	-	27,807
Sponsorship		8,550	-	8,550
Waqaf		-	-	-
		<u>1,161,552</u>	<u>-</u>	<u>1,161,552</u>
<u>Investment income</u>				
Profit from fixed deposits		<u>16,964</u>	<u>-</u>	<u>16,964</u>
Other income				
Commission		1,893	-	1,893
Corporate services income	13	122,279	-	122,279
Miscellaneous income		8,251	-	8,251
		<u>132,423</u>	<u>-</u>	<u>132,423</u>
TOTAL INCOME		<u>1,464,815</u>	<u>181,605</u>	<u>1,646,420</u>
EXPENDITURES				
Cost of charitable activities				
Asatizahs honorariums	12	205,913	-	205,913
Advertisement		13,014	-	13,014
Fundraising costs		54,281	-	54,281
Project and event expense		43,713	-	43,713
Qurban expenses		119,325	-	119,325
Staff costs (salaries, CPF, etc)	12	409,145	-	409,145
Student materials, books, uniforms etc		24,023	-	24,023
Student programmes		105,248	-	105,248
		<u>974,662</u>	<u>-</u>	<u>974,662</u>

The accompanying notes form an integral part of these financial statements

PERDAUS
(Reg. No. S64SS0031J)
Statement of Financial Activities
For the financial year ended 31 December 2025

		Unrestricted		
		General Fund	Zakat Fund	Total
	Notes	\$	\$	\$
2025				
EXPENDITURES				
Governance costs				
Audit fees		11,500	-	11,500
AGM expenses		8,040	-	8,040
Bank charges and platform fees		13,917	-	13,917
Bad debts		30,890	-	30,890
Conservancy costs		2,040	-	2,040
CPF contributions and SDL & FWL	12	92,667	-	92,667
Depreciation charges	4	38,825	-	38,825
Donation		5,936	-	5,936
General expenses		6,247	-	6,247
Insurance		5,702	-	5,702
Internet and telephone charges		46,809	-	46,809
Networking expenses		10,387	-	10,387
Non-capitalised assets		4,673	-	4,673
Postage and courier charges		860	-	860
Printing and stationeries		16,981	-	16,981
Professional fees		21,750	-	21,750
Refreshments		6,492	-	6,492
Rental of premises		34,516	-	34,516
Rental of equipment		23,532	-	23,532
Repair and maintenances		47,218	-	47,218
Subscriptions		22,308	-	22,308
Souvenirs and token		17,366	-	17,366
Staff benefits (incl. staff day expenses)		40,532	-	40,532
Staff training		31,763	-	31,763
Staff wages and salaries	12	540,750	-	540,750
Travelling and transport		517	-	517
Utilities (Water and electricity)		13,595	-	13,595
Zakat		5,079	-	5,079
Total governance costs		1,100,892	-	1,100,892
TOTAL EXPENDITURES		2,075,554	-	2,075,554
NET INCOME		(610,739)	181,605	(429,134)
Reconciliation of funds				
Total funds brought forward		6,524,929	381,945	6,906,874
Total funds carried forward		5,914,190	563,550	6,477,740

The accompanying notes form an integral part of these financial statements

PERDAUS
(Reg. No. S64SS0031J)
Statement of Financial Activities
For the financial year ended 31 December 2025

		Unrestricted		
		General Fund	Zakat Fund	Total
2024	Notes	\$	\$	\$
INCOME				
Income from Generated Funds				
<u>Voluntary Income</u>				
Donations - General		64,962	-	64,962
Donations - Zakat	11	-	150,315	150,315
<u>Grant Income</u>				
- Training fund/grant		8,142	-	8,142
- SDF funding		6,505	-	6,505
- Gov't grants - SEC, WCS, TEC, PWCS etc		21,763	-	21,763
- Others		35,341	-	35,341
		<u>136,713</u>	<u>150,315</u>	<u>287,028</u>
<u>Activities for generating funds</u>				
Fundraising project income		227,010	-	227,010
Project and events		20,043	-	20,043
Qurban		217,822	-	217,822
Registration and course fees		633,935	-	633,935
Sales of items		27,669	-	27,669
		<u>1,126,479</u>	<u>-</u>	<u>1,126,479</u>
<u>Investment income</u>				
Profit from fixed deposits		23,471	-	23,471
Other Income				
Corporate services income	13	164,718	-	164,718
Miscellaneous income		232,056	-	232,056
		<u>396,774</u>	<u>-</u>	<u>396,774</u>
TOTAL INCOME		<u>1,683,437</u>	<u>150,315</u>	<u>1,833,752</u>
EXPENDITURES				
Cost of charitable activities				
Asatizahs honorariums	12	181,250	-	181,250
Advertisement		20,031	-	20,031
Fundraising costs		23,220	-	23,220
Project and event expense		93,686	-	93,686
Qurban expenses		165,694	-	165,694
Staff costs (salaries, CPF, etc)	12	406,300	-	406,300
Students insurances		1,496	-	1,496
Student materials, books, uniforms etc		26,031	-	26,031
Student programmes		69,638	-	69,638
Zakat	11	-	90,000	90,000
		<u>987,346</u>	<u>90,000</u>	<u>1,077,346</u>

The accompanying notes form an integral part of these financial statements

PERDAUS
(Reg. No. S64SS0031J)
Statement of Financial Activities
For the financial year ended 31 December 2025

		Unrestricted		
		General Fund	Zakat Fund	Total
	Note	\$	\$	\$
2024				
EXPENDITURES				
Governance costs				
Audit fees		9,500	-	9,500
AGM expenses		1,500	-	1,500
Bank charges		11,443	-	11,443
Bad debts		16,998	-	16,998
Cleaning fees		1,594	-	1,594
Conservancy costs		2,007	-	2,007
CPF contributions and SDL & FWL	12	68,622	-	68,622
Depreciation charges	4	90,726	-	90,726
Donation		6,100	-	6,100
General expenses		1,354	-	1,354
Insurance		4,632	-	4,632
Internet and telephone charges		15,665	-	15,665
Networking expenses		5,661	-	5,661
Non-capitalised assets		6,607	-	6,607
Postage and courier charges		513	-	513
Printing and stationeries		8,985	-	8,985
Professional fees		42,940	-	42,940
Refreshments		13,767	-	13,767
Rental of premises		33,128	-	33,128
Rental of equipment		8,546	-	8,546
Repair and maintenances		59,720	-	59,720
Souvenirs and token		58	-	58
Staff benefits (incl staff day expenses)		42,870	-	42,870
Staff training		32,271	-	32,271
Staff wages and salaries	12	413,574	-	413,574
Travelling and transport		8,876	-	8,876
Utilities (Water and electricity)		16,789	-	16,789
Zakat		4,174	-	4,174
GST expenses		7,305	-	7,305
Total governance costs		935,925	-	935,925
TOTAL EXPENDITURES		1,923,271	90,000	2,013,271
NET INCOME		(239,834)	60,315	(179,519)
Reconciliation of funds				
Total funds brought forward		6,764,763	321,630	7,086,393
Total funds carried forward		6,524,929	381,945	6,906,874

The accompanying notes form an integral part of these financial statements

PERDAUS
 (Reg. No.S64SS0031J)
Statement of Changes in Funds
For the financial year ended 31 December 2025

	Unrestricted funds		
	General fund	Zakat Fund	Total Funds
	\$	\$	\$
Balance at 1 January 2024	6,764,763	321,630	7,086,393
Net income/expenditure	(239,834)	60,315	(179,519)
Balance at 31 December 2024	6,524,929	381,945	6,906,874
Net income/expenditure	(610,739)	181,605	(429,134)
Balance at 31 December 2025	5,914,190	563,550	6,477,740

The accompanying notes form an integral part of these financial statements

PERDAUS
(Reg. No. S64SS0031J)
Statement of Cash Flows
For the financial year ended 31 December 2025

	Notes	2025 \$	2024 \$
Cash flows from operating activities			
Net Expenditure		(429,134)	(179,519)
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	4	38,825	90,726
Profit income from fixed deposits		(16,964)	(23,471)
Operating cash flow before changes in working capital		<u>(407,273)</u>	<u>(112,264)</u>
<u>Changes in working capital:</u>			
Fees and other receivables		147,052	214,366
Other payables		(43,933)	29,554
		<u>103,119</u>	<u>243,920</u>
Net cash (used in)/generated from operating activities		<u>(304,154)</u>	<u>131,656</u>
Cash flows from investing activities			
Placement of short-term fixed deposits		(1,000,000)	(500,000)
Placement of structured deposits	5	-	(250,000)
Withdrawal of structured deposits	5	250,000	-
Purchase of property, plant and equipment	4	(16,853)	(73,794)
Interest earned in fixed deposits		16,964	23,471
Net cash used in investing activities		<u>(749,889)</u>	<u>(800,323)</u>
Cash flows from financing activity			
Amount owing by related party		-	(16,944)
Net cash used in financing activity		<u>-</u>	<u>(16,944)</u>
Net decrease in cash and cash equivalents		(1,054,043)	(685,611)
Cash and cash equivalents at the beginning of year		4,624,269	5,309,880
Cash and cash equivalents at the end of year	9	<u>3,570,226</u>	<u>4,624,269</u>

The accompanying notes form an integral part of these financial statements

PERDAUS
(Reg. No. S64SS0031J)
Notes to 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

Perdaus (“the Society”) is registered under the Societies Act 1966 on 8 May 1964. The Society is also registered as a charity under the Charities Act 1994 on 19 October 2001.

The Society is domiciled in the Republic of Singapore. Its Unique Entity number (UEN) is S64SS0031J.

The Society’s registered office and principal place of business is at Block 364 Bukit Batok Street 31 #01-259, Singapore 650364.

The principal activities of the Society are to:

- a) Promote the spiritual, social and economic well-being of the community including, but not limited to the carrying out of family development programmes;
- b) To foster friendship and cohesion in the Community regardless of race, language, religion, or social standing;
- c) To do such other things as are incidental or conducive to the attainment of the above objects, and provided that, nothing shall be done solely for profit or for commercial reasons, the Society shall:
 - i. Establish, set up and manage institutions of learning, youth and family activity centres, senior citizen activity centres, and any branch or subsidiary business commonly carried out in connection therewith;
 - ii. Co-operate with other organisations on matters pertaining to educational, welfare and social problems;
 - iii. Carry out Islamic knowledge based on programs for general public and any other activities that are not contrary to the teaching of Islamic religion and the State Law;
 - iv. Endeavour the building of Perdaus Headquarters and/or other assets.

The affairs of the Society are administered by the Management Committee in accordance with the provisions of the constitution of the Society and the provisions of the Societies Act.

The Management Committee have authorised the financial statements for issue in accordance with the date of the Statement by the Management Committee.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the Charities Reporting Standards in Singapore (“CASs”) issued by the Accounting Standards Council of Singapore. The Society is also subject to the provisions of the Societies Act and Charities Act and other relevant regulations.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Basis of Preparation

(i) Functional and presentation currency

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

(ii) Basis of measurement

These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

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

In the process of applying the Society's accounting policies in the preparation of financial statements in conformity with CAS requires management to exercise its judgements, certain critical accounting estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources and disclosure of contingent assets and liabilities at the reporting date, and the amounts of income and expenses during the financial year.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on Management Committee's best knowledge of the current events and actions, actual results may ultimately differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Revenue Recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Society's net assets. Income is recognised when the following 3 factors are met:

- (i) Entitlement - The Society has control over the rights or other access to the resource, enabling the Society to determine its future application.
- (ii) Certainty - It is probable that the income will be received; and
- (iii) Measurement - The amount of the income can be measured by the Society with sufficient reliability.

Donations, corporate sponsorship and zakat

Income from donations from individuals, organisations, sponsorships, charity events, and zakat are accounted for when received, except for committed donations that are recorded when the commitments are signed. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Sales of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Rendering of services

Revenue from the rendering of services is recognised when the services have been performed and rendered.

Registration, course, programme and related fees

Revenue received from registration and course fees are recognised over the course period.

Grants and subsidy income

Grants, including government grants, and subsidy income 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.

Grants including those for the acquisition of property, plant and equipment are recognised as income when there is evidence of entitlement, which will normally exist when the grant is formally expressed in writing. Where entitlement is demonstrable and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurement are met.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term.

Profit from term deposits

Profit from term deposits is recognised on a time proportion basis using the effective profit method.

Other income

Other income is recognised when received.

Expenditures

Expenditures are recognised in the statement of financial activities once the goods or services have been delivered or rendered. Expenditure on performance-related grants are recognised to the extent the specified services or goods have been provided. Expenditures in the statement of financial activities are classified under the costs of generating funds, cost of charitable activities, and governance costs.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Classification

Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities.

Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objectives of the Society and an apportionment of overhead and shared costs.

Governance and administrative costs

Costs incurred in respect of governance arrangements which relate to the general running of the Society, activities that provide the governance infrastructure, which allows the Society to operate, and to generate the information required for public accountability and costs incurred in relation to strategic planning processes that contribute to future development of the Society are classified under governance costs. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

Allocation of costs

Where appropriate, expenditures which are specifically identifiable to each cost classifications are allocated directly to the type of costs incurred. Where apportionment between each costs classification is necessary, the following apportionment bases are applied:

- Usage;
- Per capita (i.e. on the number of people employed within an activity);
- Floor area occupied by an activity; and
- On time basis.

Where costs cannot be wholly attributable to an activity, they are apportioned on a basis consistent with the uses of the resources.

All expenditures are recognised on an accrual basis.

Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Society and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of financial activities.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund (“CPF”), on a mandatory, contractual, or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society’s contribution to defined contribution plans are recognised as employee compensation expenses when they are due.

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 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.

Employment leave entitlement

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

Operating lease

Leases are classified as operating leases when the lessor effectively retains substantially all the risks and benefits of ownership of the leased item. Operating lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income taxes

The Society is an approved charity organisation under the Charities Act 1966 since 19 October 2001. No provision for taxation has been made in the financial statements as the Society is exempt from income tax in accordance with the provisions of the Income Tax Act, Chapter 134.

Goods and Services Tax (GST)

Revenues, 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.

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Notes to Financial Statements

For the financial year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

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.

Related party

A related party is a person or entity that is related to the Society:

(a) A person or a close member of that person's family is related to a Society if that person:

- (i) has control or joint control over the Society;
- (ii) has significant influence over the Society; or
- (iii) is a member of the key management personnel of the Society or of a parent of the Society.

(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 Society (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) The entity is an associate or joint venture of the Society (or an associate or joint venture of a member of a Society of which the Society is a member) and vice versa.
- (iii) The entity and the Society are joint ventures of the same third party.
- (iv) The entity is a joint venture of a third entity and the Society is an associate of the third entity and vice versa.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society.
- (vi) The entity is controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a Society of which it is part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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.

The initial cost of property, plant and equipment comprises its purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. It also comprises of any direct attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment.

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Notes to Financial Statements**For the financial year ended 31 December 2025**

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rate is used for the depreciation of property, plant and equipment:

Computer and software	3 years
Books and Toys	5 years
Furniture and fittings	5 years
Kitchenware	5 years
Renovation	5 years
Office equipment	5 years

The residual values and useful lives of property, plant and equipment are reviewed and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

Fully depreciated assets still in use are retained in the financial statements.

Subsequent expenditure relating to property, plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Cost of day-to-day servicing of an item of property, plant and equipment such as repairs and maintenance are normally charged to the statement of financial activities in the period in which the costs are incurred.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

Financial assets***Trade and other receivables***

Trade and other receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Subsequent to initial recognition, trade and other receivables, excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial period.

Bad debts are written off when known and specific provisions are made for those debts considered to be doubtful.

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 debt instruments is recognised in profit or loss.

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Notes to Financial Statements

For the financial year ended 31 December 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks, on hand and short-term fixed deposits with maturity of within 3 months after the financial year end. These are subject to an insignificant risk of changes in value.

Fixed deposits classified under current assets comprise of short-term fixed deposits with maturity of within 4 to 12 months after the financial year end.

Financial liabilities**Accounts and other payables**

Accounts and other payables, excluding accruals, are recognised at their transaction price, excluding transaction cost, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenses in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

Provision for other liabilities and charges

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The Society derecognises financial liabilities when, and only when, the Society's obligations are discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

Funds*General funds (Unrestricted)*

General funds are also known as accumulated or unrestricted funds. The Society is free to use such funds for both capital and revenue expenditure without having to take into account of any restrictions imposed.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Zakat funds (unrestricted fund)

The Zakat fund is designated for the purpose of collecting and distributing zakat, which is a mandatory charitable contribution in Islam to provide assistance to those in need. This fund is not subject to any specific restrictions imposed by donors or governing bodies. It is available for general use by the Society for both capital and revenue expenditures.

The management is responsible for determining the portion of the funds to be transferred from the zakat fund to the general funds. This decision is made annually, considering the organisation's financial needs and the availability of funds in the zakat fund.

The management reclassified the payable account on the balance sheet that is used to collect Zakat to a separate unrestricted Zakat fund during the preceding financial year.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

Restricted funds

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. These are funds where specific conditions which are legally binding on the trustees as to how the funds should be used. The restriction has been externally imposed, usually by the person or agencies providing the fund.

LDSU fund is established for the learning support and development support programme conducted by the Society.

Designated funds

Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Management Committee. These designated funds may be treated as restricted funds when they contain funds restricted by outside sources.

Events after reporting date

Post year-end events that provide additional information about the Society's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Management Committee are of the opinion that there are no critical judgments (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Judgement made in applying accounting policies

Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Society will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Society if the conditions are not met.

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.

Provision for impairment allowance on fees receivables

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluate the risks of collection accordingly to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

Estimated useful life of property, plant and equipment

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

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Notes to Financial Statements**For the financial year ended 31 December 2025****4. PROPERTY, PLANT AND EQUIPMENT**

	Furniture & fittings \$	Office Equipment \$	Kitchenware \$	Renovation \$	Books & Toys \$	Computer & software \$	Total \$
Cost							
At 1 January 2024	79,385	50,489	1,916	1,066,747	24,913	173,371	1,396,821
Additions	29,490	15,857	-	-	-	28,447	73,794
At 31 December 2024	108,875	66,346	1,916	1,066,747	24,913	201,818	1,470,615
Additions	-	-	-	7,240	-	9,613	16,853
At 31 December 2025	108,875	66,346	1,916	1,073,987	24,913	211,431	1,487,468
Accumulated Depreciation							
At 1 January 2024	69,707	49,131	1,756	976,588	23,915	160,897	1,281,994
Depreciation charge	8,942	4,393	160	62,882	998	13,351	90,726
At 31 December 2024	78,649	53,524	1,916	1,039,470	24,913	174,248	1,372,720
Depreciation charge	7,893	3,146	-	11,071	-	16,715	38,825
At 31 December 2025	86,542	56,670	1,916	1,050,541	24,913	190,963	1,411,545
Carrying amounts							
At 31 December 2025	22,333	9,676	-	23,446	-	20,468	75,923
At 31 December 2024	30,226	12,822	-	27,277	-	27,570	97,895

5. STRUCTURED DEPOSITS

	2025	2024
	\$	\$
Structured deposits	<u>-</u>	<u>250,000</u>

The structured deposits yield fixed and bonus profit payments at nil (2024: 2.6%) per annum and with a maturity period of 6 years. The deposits were withdrawn during the year.

The structured deposits are denominated in Singapore dollars and their carrying amounts approximate their fair values.

6. AMOUNT OWING BY RELATED PARTY

	2025	2024
	\$	\$
Amount owing by related party	<u>82,597</u>	<u>82,597</u>

The amount owing by related party refers to the amount owing by Iyad Perdaus Ltd (“Iyad”), a company limited by guarantee incorporated in Singapore having a common member.

The amount owing is interest-free, unsecured and repayable on immediate term.

7. FEES AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Fees and account receivables:		
- Third parties	15,918	23,835
- Related party	<u>368,491</u>	<u>518,291</u>
	384,409	542,126
Less: Allowance for doubtful receivables	<u>(7,101)</u>	<u>(1,717)</u>
	<u>377,308</u>	<u>540,409</u>
Other receivables:		
Prepayments	23,987	18,650
Deposits	5,210	5,210
Grant receivables	23,412	6,241
Accrued interest receivables	<u>-</u>	<u>6,459</u>
	<u>52,609</u>	<u>36,560</u>
Total	<u><u>429,917</u></u>	<u><u>576,969</u></u>

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Notes to Financial Statements**For the financial year ended 31 December 2025****7. FEES AND OTHER RECEIVABLES (continued)**

The accounts receivables from related party refers to Iyad, is interest free, unsecured and repayable on demand.

Movement in the allowance for doubtful receivables as follows:

	2025	2024
	\$	\$
Fees and account receivables:		
Balance at beginning of year	1,717	50,634
Reversal of prior year's bad debts	(1,717)	(34,880)
Bad debts recovered	-	(15,754)
Charge for the year	7,101	1,717
Balance at end of year	<u>7,101</u>	<u>1,717</u>

The ageing analysis of fees and accounts receivables as follows:

	2025	2024
	\$	\$
Receivables past due but not impaired		
Past due less than 3 months	309,038	449,585
past due 3 to 6 months	68,270	90,824
	<u>377,308</u>	<u>540,409</u>

Fees and other receivables are denominated in Singapore dollars and their carrying amounts approximate their fair values.

8. FIXED DEPOSITS

	2025	2024
	\$	\$
Fixed deposits	<u>2,500,000</u>	<u>1,500,000</u>

The fixed deposits bear interests at an effective interest rates from 1.3% (2024: 2.7% to 3.2%) per annum and for tenures of 5 months (2024: 2-8 months).

The fixed deposits are denominated in Singapore dollars and their carrying amounts approximate their fair values.

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Notes to Financial Statements**For the financial year ended 31 December 2025****9. CASH AND CASH EQUIVALENTS**

For the purpose of statement of cash flows, the cash and cash equivalents comprise the following:

	2025	2024
	\$	\$
Cash in hand	6,264	5,414
Cash at banks	<u>3,563,962</u>	<u>4,618,855</u>
	<u><u>3,570,226</u></u>	<u><u>4,624,269</u></u>

The cash and cash equivalents are denominated in Singapore dollars and their carrying amounts approximate their fair values.

10. ACCOUNTS AND OTHER PAYABLES

	2025	2024
	\$	\$
Accounts payable:		
- Third parties	77,473	66,928
Other payables:		
Fees deposit	7,000	7,000
Accruals	10,000	10,667
Wakaf - monetary	31,145	31,145
GST (receivable)/payable	(3,689)	6,193
Prepaid fees and advances	58,994	103,917
Other sundry payables	-	(994)
	<u>103,450</u>	<u>157,928</u>
	<u><u>180,923</u></u>	<u><u>224,856</u></u>

Accounts and accounts payables are denominated in Singapore dollars and their carrying amounts approximate their fair values.

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Notes to Financial Statements
For the financial year ended 31 December 2025

11. FUNDS

Unrestricted – General fund

The General Fund is expendable at the discretion of the management committee in furtherance of the Society's objectives and purposes.

	2025	2024
	\$	\$
Balance at beginning of year	6,524,929	6,764,763
Movements during the year:		
Deficit for the year	(610,739)	(239,834)
Balance at end of year	<u>5,914,190</u>	<u>6,524,929</u>

Unrestricted – Zakat fund

	2025	2024
	\$	\$
Balance at beginning of year	381,945	321,630
Movements during the year:		
Receipt for the year	181,605	150,315
Payment for the year	-	(90,000)
	<u>181,605</u>	<u>60,315</u>
Balance at end of year	<u>563,550</u>	<u>381,945</u>

12. EMPLOYEE COSTS

	2025	2024
	\$	\$
<u>Charitable activities</u>		
Short-term employment		
- Staff salaries and bonuses	355,655	349,480
- Honorariums	205,913	181,250
Defined contribution plans		
- Employer's CPF contributions	53,490	56,820
	<u>615,058</u>	<u>587,550</u>

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Notes to Financial Statements**For the financial year ended 31 December 2025****12. EMPLOYEE COSTS (continued)**

	2025	2024
	\$	\$
<u>Governance costs</u>		
Short-term employment		
- Staff salaries and bonuses	540,750	413,574
Defined contribution plans		
- Employer's CPF contributions, SDL & FWL	92,667	68,622
	<u>633,417</u>	<u>482,196</u>
	<u><u>1,248,475</u></u>	<u><u>1,069,746</u></u>

As at 31 December 2025, the Society employed 21 (2024: 20) full time employees. There was no employee (2024: Nil) whose remuneration exceeded \$100,000 per annum during the current year.

13. RELATED PARTY TRANSACTIONS

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

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Society and a related party (Iyad) at terms agreed between both parties:

	2025	2024
	\$	\$
<i>Transactions with Iyad Perdaus Ltd</i>		
Corporate services income	(122,279)	(164,718)
Donations	(1,505)	(30,000)
Fundraising project income	(25,000)	(25,000)
Miscellaneous income	-	(119,394)
Payment on behalf	66,737	-
Program costs to Iyad as vendor	<u>9,261</u>	<u>11,160</u>

14. KEY MANAGEMENT PERSONNEL COMPENSATION

The Society has given the authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly to the Centre Manager. The key management personnel includes Centre Manager who is a full-time staff and not a member of the Management Committee.

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Notes to Financial Statements**For the financial year ended 31 December 2025****14. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)**

Included in the staff salaries and related costs are the key management personnel compensation as follows:

	2025	2024
	\$	\$
Centre Manager's remuneration:		
Training	880	4,606
Short - term benefits		
- Staff salaries and bonuses	80,026	77,518
Post-employment benefits		
- Employer's CPF contribution	13,703	13,147
	<u>94,609</u>	<u>95,271</u>

The number of the Society's key management personnel in remuneration bands is as follows:

	2025	2024
Remuneration band		
Between \$1 to \$100,000	1	1
Between \$100,000 to \$200,000	<u>0</u>	<u>0</u>

Key management personnel also refer to the Management Committee of the Society, who are acting on a voluntary basis. The Management Committee are not remunerated except for the following:

	2025	2024
	\$	\$
Honorarium - Management Committee members	450	1,848
Training - Management Committee members	1,960	-
General expenses - Management Committee members	-	291
Printing & stationeries - Management Committee members	-	217
Travel & transportation - Management Committee members	671	-
	<u>3,081</u>	<u>2,356</u>

15. MANAGEMENT OF CONFLICT OF INTEREST

During the current and previous financial year, none of the Committee Members received any remuneration from the Society other than those disclosed in note 14.

Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organizations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. This is to ensure transparency and fairness in decision-making processes.

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Notes to Financial Statements**For the financial year ended 31 December 2025**

15. MANAGEMENT OF CONFLICT OF INTEREST (continued)

To maintain the highest ethical standards, members of the Society must avoid situations that may create conflicts of interests, ensuring the best interests of the organization and its stakeholders. Should there be any potential conflict of interest, the affected members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

16. FUND MANAGEMENT POLICY

The primary objective of the Society is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

17. RESERVE POLICY

There was no written policy or procedure on the amount of reserves that should be set aside by the Society in order to provide financial stability and provide the means for enhancing the Society's principal activities. However, the Society has sufficient reserves in order to support its activities.

The Society's Management Committee reviews the reserves regularly to ensure that it is adequate for the Society's current and future needs. The management committee will take steps to increase the amount of reserves if necessary.

18. COMMITMENTS

As at statement of financial position date, the Society has outstanding commitments as follows:

(a) Operating lease arrangement

At the end of the financial year, the Society was committed to making the following future minimum rental payable under non-cancellable operating leases for office premises and office equipment from non-related parties:

	2025	2024
	\$	\$
Office premises		
Not later than one year	16,922	20,772
Later than one year but not later than five years	<u>3,844</u>	<u>20,766</u>
	<u>20,766</u>	<u>41,538</u>
Office equipment		
Not later than one year	20,188	17,196
Later than one year but not later than five years	<u>7,359</u>	<u>16,732</u>
	<u>27,547</u>	<u>33,928</u>

18. COMMITMENTS (continued)

(b) Professional services

The Society is committed under non-cancellable service agreement for professional services such as brand development services which falls due as follows:

	2025	2024
	\$	\$
Professional fee		
Not later than one year	-	3,500
Later than one year but not later than five years	-	-
	<u>-</u>	<u>3,500</u>

19. FINANCIAL INSTRUMENTS

Fair values

The carrying amount of the financial assets and financial liabilities approximates their fair values. The Society does not anticipate that the carrying amounts recorded at Statement of Financial Position date would be significantly different from the values that would eventually be received or settled.

20. FINANCIAL RISK MANAGEMENT

The Society's activities expose it to a variety of financial risks from its operation. The Society is mainly exposed to credit risk and liquidity risk.

Risk management is carried out under policies approved by the Management. The Management Committee review and agree on policies and procedures for 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.

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.

Liquidity risk

Liquidity risk arises in the general funding of the Society's operating activities. 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's operations are financed mainly through surplus from operations. The Management are satisfied that funds are available to finance the operations of the Society.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Society.

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Notes to Financial Statements**For the financial year ended 31 December 2025**

20. FINANCIAL RISK MANAGEMENT (continued)

For cash and cash equivalents, the Society minimizes credit risk by dealing exclusively with high credit rating counterparties.

The Society has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where applicable, as a means of mitigating the risk of financial loss from defaults. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligation as at the end of the financial year in relation to each class of recognised financial asserts is the carrying amount of those assets as stated in the statement of financial position.

As at year end, the Society has no significant concentration of credit risk.

21. CAPITAL RISK MANAGEMENT

The Society's objectives when managing capital are to safeguard the Society's ability to continue as a going concern and to maintain an optimal capital structure so as to serve its objectives. In order to maintain or achieve an optimal capital structure, the Society may revise their fees and organise fundraising projects to obtain donations.

The Society is not subject to externally imposed capital requirements. The management monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes since the prior year. The gearing ratio is calculated as debt divided by total capital. Debt comprises of accounts and other payables. Total capital is calculated as total funds plus total debt.

	2025	2024
	\$	\$
Total debt		
Accounts and other payables	<u>180,923</u>	<u>224,856</u>
Total funds		
General fund - unrestricted	5,914,190	6,524,929
Zakat fund - unrestricted	<u>563,550</u>	<u>381,945</u>
	<u>6,477,740</u>	<u>6,906,874</u>
Total Capital	<u>6,658,663</u>	<u>7,131,730</u>
Gearing ratio	<u>2.72%</u>	<u>3.15%</u>

22. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of Perdaus (the "Society") for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Management Committee on 17 July 2026.