

**MORNING STAR COMMUNITY SERVICES**  
**(UEN: T02SS0153L)**  
**(Registered in the Republic of Singapore)**

**AUDITED FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 JANUARY 2017**

**MORNING STAR COMMUNITY SERVICES  
(UEN: T02SS0153L)**

**MANAGEMENT COMMITTEE**

**POON KIN MUN KELVIN**

**PRESIDENT**

**TAN WEE HAN GERALD**

**VICE-PRESIDENT**

**OW SOON SIAN ALAN**

**TREASURER**

**SIEW WENG LOON HENRY**

**SPIRITUAL DIRECTOR**

**KOH AH SAN MICHAEL**

**SECRETARY**

**TAY BONG HUA JEREMY**

**COMMITTEE MEMBER**

**CHRISTINA LIM**

**COMMITTEE MEMBER**

**YEO KIEN SWEE JOSEPH**

**COMMITTEE MEMBER**

**SR. CHRISTINE SANTHOU**

**COMMITTEE MEMBER  
(till December 2016)**

**SR. CECILY PAVRI**

**COMMITTEE MEMBER  
(from January 2017)**

**MORNING STAR COMMUNITY SERVICES**  
**(UEN: T02SS0153L)**

**REGISTERED OFFICE**

**No. 4 Lorong Low Koon**  
**Singapore 536450**

**AUDITOR**

**Kreston David Yeung PAC**  
**Public Accounting Corporation**  
**128A Tanjong Pagar Road**  
**Singapore 088535**

**BANKERS**

**DBS BANK LTD**  
**HONG LEONG FINANCE LIMITED**  
**RHB BANK BERHAD**  
**MALAYAN BANKING BERHAD**  
**CIMB BANK BERHAD**

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**MORNING STAR COMMUNITY SERVICES**  
**(UEN: T02SS0153L)**

**STATEMENT BY BOARD OF MANAGEMENT COMMITTEE MEMBERS**

In the opinion of the Board of Management Committee members,

- i) the accompanying financial statements of Morning Star Community Services (“MSCS”) as set out on pages 7 to 30 are drawn up in accordance with the provisions of the Societies Act, Cap. 311, Singapore Charities Act, Cap. 37 and Singapore Financial Reporting Standards so as to present fairly, in all material respect, the financial position of MSCS as at 31 January 2017 and the financial activities, changes in funds and cash flows of MSCS for the year ended on that date; and
- ii) at the date of this statement there are reasonable grounds to believe that MSCS will be able to pay its debts as and when they fall due.


On behalf of the Board of Management Committee,



**POON KIN MUN KELVIN**

President

**3 1 AUG 2017**



**OW SOON SIAN ALAN**  
Honorary Treasurer



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORNING STAR COMMUNITY SERVICES (UEN: T02SS0153L)**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Morning Star Community Services ("MSCS"), which comprise the statement of financial position as at 31 January 2017, and the statement of financial activities, statement of changes in general and specific funds, and statement of cash flows of MSCS for the 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, Chapter 311 (the Societies Act), Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of MSCS as at 31 January 2017 and the results, changes in funds and cash flows of MSCS for the 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 MSCS 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 Board Of Management Committee Members (set out on page 3) and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MORNING STAR COMMUNITY SERVICES (UEN: T02SS0153L) (Continued)**

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

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

In preparing the financial statements, management is responsible for assessing MSCS' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate MSCS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing MSCS' 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 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 MSCS' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MORNING STAR COMMUNITY SERVICES (UEN: T02SS0153L) (Continued)**

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on MSCS' 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 MSCS to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required to be kept by MSCS have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

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

**KRESTON DAVID YEUNG PAC**  
**Public Accountants and**  
**Chartered Accountants**

Singapore, 31 August 2017

**KRESTON DAVID YEUNG PAC** (UEN: 200717891W)  
A public accounting corporation incorporated with limited liability and a member of **Kreston International**  
128A Tanjong Pagar Road, Singapore 088535  
Tel: 6223 7979 Fax: 6222 7979

**MORNING STAR COMMUNITY SERVICES**  
**(UEN: T02SS0153L)**

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 January 2017**

	Note	2017 S\$	2016 S\$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Plant and equipment	3	76,228	106,623
<b>Current assets</b>			
Account receivables	4	35,700	25,151
Other receivables	5	563,185	52,561
Deposits and prepayments	6	11,450	13,851
Fixed deposits	7	3,023,637	2,840,100
Cash and bank balances		798,368	365,761
<b>Total current assets</b>		<b>4,432,340</b>	<b>3,297,424</b>
<b>Total assets</b>		<b>4,508,568</b>	<b>3,404,047</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
<b>Restricted funds</b>			
Care and Share fund	8	43,060	(155,089)
CareNights fund	9	44,217	-
Hardship fund	10	28,321	32,774
MSF grant	11	-	1,520
Nova project fund	12	108,366	142,090
President's Challenge	13	-	-
Training and development fund	14	11,675	11,675
Deferred capital grant	15	239,156	-
<b>Total restricted funds</b>		<b>474,795</b>	<b>32,970</b>
<b>Unrestricted fund</b>			
Accumulated fund		3,790,337	3,012,833
<b>Total funds</b>		<b>4,265,132</b>	<b>3,045,803</b>
<b>Non-current liabilities</b>			
Finance lease payable	16	6,841	10,946
<b>Current liabilities</b>			
Account payables		29,494	44,185
Deferred services fee		1,936	7,026
Finance lease payable	16	4,105	4,105
Other payables and accruals	17	201,060	291,982
<b>Total current liabilities</b>		<b>236,595</b>	<b>347,298</b>
<b>Total liabilities</b>		<b>243,436</b>	<b>358,244</b>
<b>Total funds and liabilities</b>		<b>4,508,568</b>	<b>3,404,047</b>

The notes set out on pages 11 to 30 form an integral part of and should be read in conjunction with this set of financial statements.



**MORNING STAR COMMUNITY SERVICES**  
(UEN: T02SS0153L)

**STATEMENT OF FINANCIAL ACTIVITIES**  
For the financial year ended 31 January 2017

	Note	2017 S\$	2016 S\$
<b>Income</b>			
Income from generated funds:			
Voluntary income			
Donations in cash	18	7,109	8,583
Other income	18	240,517	82,147
Grant received	18	612,878	485,155
Activities for generating funds			
Student care services		1,479,480	1,495,480
Investment income			
Interest income		65,839	33,986
		<u>2,405,823</u>	<u>2,105,351</u>
Income from charitable activities:			
Care and share matching grant	8	1,156	-
CareNights programme	9	-	-
Family wellness programme		498,629	306,020
NOVA learning support		267,386	204,766
President's Challenge	13	-	-
NOVA project fund	12	-	-
		<u>767,171</u>	<u>510,786</u>
<b>Total income</b>		<u>3,172,994</u>	<u>2,616,137</u>
<b>Expenditures</b>			
Cost of generating funds:			
Student care services		1,327,992	712,383
Other operating expenses		2,631	5,740
		<u>1,330,623</u>	<u>718,123</u>
Resources expended on charitable activities:			
Care and share matching grant	8	-	-
CareNights programme	9	107,951	-
Family wellness programme		547,758	432,974
NOVA learning support		358,972	494,515
President's Challenge	13	-	-
NOVA project fund	12	-	-
		<u>1,014,681</u>	<u>927,489</u>
Governance costs		<u>50,186</u>	<u>45,133</u>
<b>Total expenditure</b>		<u>2,395,490</u>	<u>1,690,745</u>
<b>Net surplus in unrestricted funds</b>		777,504	925,392
<b>Net surplus/(deficit) in restricted funds</b>			
Care and share matching grant	8	198,149	(239,223)
CareNights programme	9	44,217	-
Hardship fund	10	(4,453)	13,999
MSF grant	11	(1,520)	(3,041)
NOVA project fund	12	(33,724)	(22,097)
President's Challenge	13	-	-
Training and development grant	14	-	-
Deferred capital grant	15	239,156	-
		<u>441,825</u>	<u>(250,362)</u>
<b>Total surplus/(deficit) for the year</b>		<u>1,219,329</u>	<u>675,030</u>

The notes set out on pages 11 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

**MORNING STAR COMMUNITY SERVICES**  
(UEN: T02SS0153L)

**STATEMENT OF CHANGES IN GENERAL AND SPECIFIC FUNDS**  
For the financial year ended 31 January 2017

	Accumulated Fund S\$	Care and Share Fund S\$	CareNights Fund S\$	Hardship Fund S\$	MSF Grant S\$	NOVA Project Fund S\$	President's Challenge S\$	Training and Development Fund S\$	Deferred Capital Grant S\$	Total Funds S\$
Balance as at 01.02.2015	2,171,575	-	-	18,775	4,561	164,187	-	11,675	-	2,370,773
As previously presented	686,169	-	-	13,999	(3,041)	(22,097)	-	-	-	675,030
Net surplus/(deficit) for the year	155,089	(155,089)	-	-	-	-	-	-	-	-
Prior year reclassification (Note 28)										
Balance as at 31.01.2016/ 01.02.2016 (Restated)	3,012,833	(155,089)	-	32,774	1,520	142,090	-	11,675	-	3,045,803
Net surplus/(deficit) for the year	777,504	198,149	44,217	(4,453)	(1,520)	(33,724)	-	-	239,156	1,219,329
Balance as at 31.01.2017	3,790,337	43,060	44,217	28,321	-	108,366	-	11,675	239,156	4,265,132

The notes set out on pages 11 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

**MORNING STAR COMMUNITY SERVICES**  
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**STATEMENT OF CASH FLOWS**

**For the financial year ended 31 January 2017**

	Note	2017 S\$	2016 S\$
<b>Cash flows from operating activities</b>			
Net surplus for the year		1,219,329	675,030
Adjustments for: -			
Depreciation of plant and equipment		71,278	140,629
Bad debts (recovered)/written off		(1,507)	8,130
Interest income		(65,839)	(33,986)
Finance lease interest		633	633
Provision for unutilised leave		(31,511)	1,966
<b>Operating surplus before working capital changes</b>		<b>1,192,383</b>	<b>792,402</b>
<b>Changes in working capital: -</b>			
(Increase)/Decrease in account and other receivables		(477,319)	23,478
(Increase)/Decrease in account and other payables		(79,192)	25,199
<b>Net cash generated from operating activities</b>		<b>635,872</b>	<b>841,079</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(40,883)	(22,809)
Interest received		25,893	11,076
Increase in fixed deposits		(986,537)	(466,988)
<b>Net cash used in investing activities</b>		<b>(1,001,527)</b>	<b>(478,721)</b>
<b>Cash flows from financing activity</b>			
Repayment of finance lease		(4,738)	(4,738)
<b>Net cash used in financing activity</b>		<b>(4,738)</b>	<b>(4,738)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(370,393)</b>	<b>357,620</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,168,761</b>	<b>811,141</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>798,368</b>	<b>1,168,761</b>
<b>Cash and cash equivalents comprise: -</b>			
Fixed deposits	7	-	803,000
Cash and bank balances		798,368	365,761
		<b>798,368</b>	<b>1,168,761</b>

The notes set out on pages 11 to 30 form an integral part of and should be read in conjunction with this set of financial statement

**MORNING STAR COMMUNITY SERVICES**  
**(UEN: T02SS0153L)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

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

**1. GENERAL**

Morning Star Community Services (“MSCS”) is domiciled and registered in the Republic of Singapore under the Societies Act and the Charities Act. The principal activities of MSCS are to provide student care services as well as activities to improve and strengthen family life in Singapore. It had been granted IPC status for the period from 1 August 2014 to 31 January 2017.

Effectively from 1 February 2017, the entire business and operations of MSCS will be taken over by Morning Star Community Services Ltd, a company incorporated as a private company limited by guarantee under Companies Act, Chapter 50 and domiciled in Republic of Singapore.

The registered office of MSCS is located at 4 Lorong Low Koon, Singapore 536450.

Under MSCS, there are 6 locations (2016: 6) performing student care services, namely:-

- a. Hougang Centre located at 4 Lorong Low Koon, Singapore 536450;
- b. Primavera Centre located at Blk 95 #01-1415 Bedok North Ave 4, Singapore 460095;
- c. Sengkang Centre located at Blk 261B, Sengkang East Way, #01-400, Singapore 542261;
- d. St Gabriel’s Primary School Centre located at 220 Lorong Chuan, Singapore 556742;
- e. St Joseph’s Institution Junior Centre located at 3 Essex Road, Singapore 309331; and
- f. Bedok North Centre located at Blk 508, Bedok North Ave 3, #01-369, Singapore 460508.

The Board of Management Committee approved and authorised these financial statements for issue on 31 August 2017.

The financial statements of MSCS are expressed in Singapore dollar.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Preparation**

The financial statements of MSCS have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, MSCS has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 February 2016. The adoptions of these new/revised FRSs and INT FRSs have no material effect on the financial statements.

**MORNING STAR COMMUNITY SERVICES**  
**(UEN: T02SS0153L)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Significant Accounting Estimates and Judgements**

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

*Critical assumptions used and accounting estimates in applying accounting policies*

Depreciation of plant and equipment

Plant and equipment are depreciated on straight-line basis over their estimated useful lives. Management Committee estimated the useful lives of these plant and equipment to be within 1 to 5 years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values, if any, of these assets, therefore future depreciation charges could be revised.

*Critical judgements made in applying accounting policies*

In the process of applying MSCS' accounting policies, the Management Committee had made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

Impairment of plant and equipment

MSCS assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Useful lives of plant and equipment

As described in Note 2(c) to the financial statements, MSCS reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the Management Committee's estimation of the periods that MSCS intends to derive future economic benefits from the use of the plant and equipment.

The carrying amount of plant and equipment at the end of reporting period are disclosed in Note 3 to the financial statements.

**MORNING STAR COMMUNITY SERVICES**  
**(UEN: T02SS0153L)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Significant Accounting Estimates and Judgements (Continued)**

Allowances for credit losses

Allowances for credit losses of MSCS is based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, past collection history of these receivables and ongoing dealings with them. If the financial conditions of these receivables of MSCS were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

**c) Plant and Equipment**

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to MSCS and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the costs over the estimated useful lives of the plant and equipment as follows: -

Furniture & fittings	1 to 2 years
Office equipment	1 to 2 years
Renovation	3 to 5 years

The carrying values of plant and equipment are 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 are reviewed at the end of each reporting period 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 arising on derecognition of the asset is included in the statement of financial activities in the year the asset is derecognised.

**d) Financial Assets**

*Initial recognition and measurement*

Financial assets are recognised on the statement of financial position when, and only when, MSCS becomes a party to the contractual provisions of the financial instrument. MSCS determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

**MORNING STAR COMMUNITY SERVICES**  
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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Financial Assets (Continued)**

*Subsequent measurement*

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of financial activities when the loans and receivables are derecognised or impaired, and through the amortisation process.

*Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in statement of financial activities.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e the date that MSCS commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

**e) Impairment of Financial Assets**

MSCS assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, MSCS first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If MSCS determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

**MORNING STAR COMMUNITY SERVICES**  
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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Impairment of Financial Assets (Continued)**

Financial assets carried at amortised cost (Continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in statement of financial activities.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, MSCS considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in statement of financial activities.

**f) Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash in hand, cash at bank and short-term fixed deposits which form part of MSCS's cash management that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**g) Financial Liabilities**

*Initial recognition and measurement*

Financial liabilities are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. MSCS determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, directly attributable transaction costs.



NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) **Financial Liabilities** (Continued)

*Subsequent measurement*

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of financial activities.

h) **Impairment of Non-Financial Assets**

MSCS assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, MSCS makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Impairment losses are recognised in the statement of financial activities in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in revaluation reserve up to the amount of any previous revaluation.

**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Impairment of Non-Financial Assets (Continued)**

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, MSCS estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of financial activities unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**i) Income Recognition**

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

Donations are recognised when monies are received or pledged and collection is reasonably certain.

Operating grants received to meet MSCS operating expenses are recognised as income to match the related expenses and is accounted for on an accrual basis.

Services income is recognised when services are rendered.

Interest income is recognised using the effective interest method.

Deferred services fee represent unearned service income for future period.

**j) Government Grants**

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred grant is recognised in the statement of financial activities over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses is recognised in the statement of financial activities over the period necessary to match them on a systematic basis to the costs that it was intended to compensate.

**k) Key Management Personnel**

Key management personnel of MSCS are those having authority and responsibility for planning, directing and controlling the activities of MSCS. Management Committee members and executive director are considered as key management personnel.

**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Employee Benefits**

Defined Contribution Plans

As required by law, MSCS makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Employee Leave Entitlement

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

**m) Provisions**

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

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

**n) Leases**

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

**o) Contingencies**

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MSCS; or

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) Contingencies (Continued)**

A present obligation that arises from past events but is not recognised because:

- i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MSCS.

Contingent liabilities and assets are not recognised on the statement of financial position of MSCS.

**p) Foreign Currencies**

*Functional and Presentation Currencies*

Items included in the financial statements of MSCS are measured using the currency of the primary economic environment in which the company operates (“the functional currency”). The financial statements of MSCS are presented in Singapore dollar, which is the functional currency of MSCS.

*Transaction and balances*

Monetary assets and liabilities in foreign currencies are translated into Singapore dollar at rates of exchange closely approximating those ruling at end of reporting period. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are taken to the statement of financial activities.

**q) Funds**

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of the general objectives of MSCS.

Restricted funds are subject to restriction on their expenditure imposed by the donor or through the terms of the fund raised.

An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

Income and expenditure relating to specific or designated funds are accounted for directly in the fund accounts to which they related.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**3. PLANT AND EQUIPMENT**

	Furniture & Fittings S\$	Office Equipment S\$	Renovation S\$	Total S\$
Cost				
As at 01.02.2015	167,904	172,028	467,193	807,125
Additions	-	16,744	6,065	22,809
Written-off	-	(1,164)	(3,140)	(4,304)
As at 31.01.2016/01.02.2016	167,904	187,608	470,118	825,630
Additions	1,156	14,966	24,761	40,883
Written-off	-	(17,754)	-	(17,754)
As at 31.01.2017	169,060	184,820	494,879	848,759
Accumulated Depreciation				
As at 01.02.2015	166,333	110,466	305,883	582,682
Charge for the year	1,571	70,979	68,079	140,629
Written-off	-	(1,164)	(3,140)	(4,304)
As at 31.01.2016/01.02.2016	167,904	180,281	370,822	719,007
Charge for the year	549	13,475	57,254	71,278
Written-off	-	(17,754)	-	(17,754)
As at 31.01.2017	168,453	176,002	428,076	772,531
Net Book Value				
As at 31.01.2017	607	8,818	66,803	76,228
As at 31.01.2016	-	7,327	99,296	106,623

Included in the additions of plant and equipment which were subsidised by care and share matching grant during the year are as below:-

	2017 S\$	2016 S\$
Furniture and fittings	1,156	-
Office equipment	-	4,900
Renovation	4,156	6,065
	<u>5,312</u>	<u>10,965</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**4. ACCOUNT RECEIVABLES**

Trade receivables are non-interest bearing and are generally on 7 to 30 days credit terms. Trade receivables which are past due at the end of reporting period but not impaired amounted to S\$14,570 (2016: S\$13,471). The table below is an aging analysis of account receivables at the end of the period:-

	2017	2016
	S\$	S\$
Not past due	21,130	11,680
Past due:-		
1 - 30 days	14,486	4,615
31 - 60 days	2,821	4,253
61 - 90 days	(7,345)	1,542
> 90 days	4,608	3,061
	<u>35,700</u>	<u>25,151</u>

**5. OTHER RECEIVABLES**

Subsidies receivable	41,678	13,633
Grants receivables	20,252	-
Other receivables	<u>501,255</u>	<u>38,928</u>
	<u>563,185</u>	<u>52,561</u>

**6. DEPOSITS AND PREPAYMENTS**

Deposits	6,350	6,740
Prepayments	<u>5,100</u>	<u>7,111</u>
	<u>11,450</u>	<u>13,851</u>

**7. FIXED DEPOSITS**

Fixed deposits mature within 3 months	-	803,000
Fixed deposits mature more than 3 months	<u>3,023,637</u>	<u>2,037,100</u>
	<u>3,023,637</u>	<u>2,840,100</u>

Fixed deposits earned interest at 1.1% to 1.95% (2016: 1.36% to 1.95%) per annum.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**8. CARE AND SHARE FUND**

The Care and Share Fund is a matching grant provided by the Government to match dollar-for-dollar eligible donation raised by MSCS. This is to provide additional resources for MSCS to enhance its organisational infrastructure, technological and manpower development as well as to fund new programmes and expansion of existing services so as to better serve the community. Government had extended the support for the care and share movement till 31 March 2016.

	2017 S\$	2016 S\$
Balance at beginning of year	(155,089)	84,134
Add: Grant received	735,911	731,667
Less: Expenditure	(313,606)	(970,890)
Less: Transferred to deferred capital grants (Note 15)	(224,156)	-
Balance at end of year	<u>43,060</u>	<u>(155,089)</u>

During the financial year, MSCS spent S\$5,312 (2016: S\$10,965) on the purchase of plant and equipment.

**9. CARENIGHTS FUND**

This fund is set up for the purpose of financing CareNights programme, which provides night care for less privileged children aged 6 – 14 to offer their stressed parents an opportunity for caregiving respite or a chance to improve their earning capacity by taking night classes/upgrading courses.

	2017 S\$	2016 S\$
Balance at beginning of year	-	-
Add: Donation received from public	12,459	-
Add: Grant received/receivable	<u>70,777</u>	<u>-</u>
	83,236	-
Less: Expenditure	<u>(39,019)</u>	<u>-</u>
Balance at end of year	<u>44,217</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**10. HARDSHIP FUND**

The fund is set up for the purpose of providing financial assistance to families whose children are attending MSCS' student care centres and fee subsidy for family enhancement programmes.

	2017 S\$	2016 S\$
Balance at beginning of year	32,774	18,775
Add: Donation received from public	<u>2,770</u>	<u>24,560</u>
	35,544	43,335
Less: Expenditure	<u>(7,223)</u>	<u>(10,561)</u>
Balance at end of year	<u>28,321</u>	<u>32,774</u>

**11. MSF GRANT**

The MSF grant is for the purpose of capital expenditure of student care centre at St. Gabriel's Primary School. The fund will be allocated to income over 5 years commencing from 1 August 2011.

	2017 S\$	2016 S\$
Balance of beginning of year	1,520	4,561
Less: Expenditure	<u>(1,520)</u>	<u>(3,041)</u>
Balance at end of year	<u>-</u>	<u>1,520</u>

**12. NOVA PROJECT FUND**

The fund, mainly comprises grants received from Tote Board, is set up for the purpose of financing NOVA Learning Intervention – the learning support programme for children with learning difficulties.

	2017 S\$	2016 S\$
Balance at beginning of year	142,090	164,187
Add: Grant received/receivable	70,989	-
Add: Donations	<u>150</u>	<u>61,094</u>
	213,229	225,281
Less: Expenditure	<u>(104,863)</u>	<u>(83,191)</u>
Balance at end of year	<u>108,366</u>	<u>142,090</u>



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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**13. PRESIDENT'S CHALLENGE**

This fund is set up for financing its NOVA Learning Intervention Programme and Individual & Family Counseling and Psychotherapy Programme. These programmes aim to develop learning skills of the children in meeting the requirements of schools, studies and curriculum, and assisting individuals/families to clarify issues or obstacles that are hindering their personal life/growth.

	2017 S\$	2016 S\$
Balance at beginning of year	-	-
Add: Grant received	105,000	-
	<u>105,000</u>	<u>-</u>
Less: Expenditure	(105,000)	-
Balance at end of year	<u>-</u>	<u>-</u>

**14. TRAINING AND DEVELOPMENT FUND**

The fund is set up for the purpose of financing the sponsorship of approved courses for staff.

	2017 S\$	2016 S\$
Balance at beginning of year/end of year	<u>11,675</u>	<u>11,675</u>

**15. DEFERRED CAPITAL GRANTS**

Balance at beginning of the year	-	-
Receipts during the year		
- Care and Share fund (Note 8)	224,156	-
- Start-up grant	<u>15,000</u>	<u>-</u>
Balance at end of the year	<u>239,156</u>	<u>-</u>

The grants were given to fund the purchase of property, plant and equipment subject to the terms and conditions as prescribed in the agreements. Deferred grants are recognised as income in the manner as per Note 2(j).

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**16. FINANCE LEASE PAYABLES**

	Minimum Payments S\$	2017 Present Value of Payments S\$	Minimum Payments S\$	2016 Present Value of Payments S\$
Within one year	4,738	4,105	4,738	4,105
After one year but not more than five years	7,896	6,841	12,634	10,946
Total minimum lease payments	12,634	10,946	17,372	15,051
Less: Amount representing finance charge	(1,688)	-	(2,321)	-
Present value of minimum lease payments	10,946	10,946	15,051	15,051

The effective finance lease interest is 3.08% per annum.

**17. OTHER PAYABLES AND ACCRUALS**

	2017 S\$	2016 S\$
Other payables	108,761	125,735
Accruals	92,299	166,247
	<u>201,060</u>	<u>291,982</u>
Other payables consist of:-		
Refundable deposits	<u>108,761</u>	<u>125,735</u>

**18. INCOMING RESOURCES**

Voluntary income comprises:-

Donations in cash		
- Tax-deductible donations	543	7,751
- Non-tax deductible donations	6,566	832
	<u>7,109</u>	<u>8,583</u>
Other income		
- Recovery of bad debts	1,507	-
- Wage credit scheme	170,486	67,247
- Temporary employment credit	24,051	-
- Special employment credit	29,021	14,773
- Miscellaneous income	15,452	127
	<u>240,517</u>	<u>82,147</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**18. INCOMING RESOURCES (Continued)**

	2017	2016
	S\$	S\$
Grant received		
- CSCC grant (Note 20)	485,000	364,000
- VCF Professional Capability Grant	3,456	-
- VCF Info-Communications Technology (ICT) grant	2,247	-
- Work development agency fund	270	-
- SECDC grant	-	3,041
- Singapore Telecom Sponsorship Scheme (STSS) Subsidy	960	960
- Comchest Haze Fund grant	-	1,000
- Tote board grant	11,146	12,700
- NECDC grant	109,799	40,210
- MSF Grant	-	63,244
	<u>612,878</u>	<u>485,155</u>
Fixed deposit interest	<u>65,839</u>	<u>33,986</u>

**19. NET INCOME**

Net surplus for the year is arrived at after charging/(crediting):-

Depreciation of plant and equipment	71,278	140,629
Bad debt (recovered)/written-off	(1,507)	8,130
Rental	87,170	89,365
Staff costs consist of:-		
- CPF contribution	255,471	240,382
- Staff salaries and other costs	<u>1,731,000</u>	<u>1,772,395</u>

**20. CSCC GRANT**

The fund is set up for the purpose of funding the programmes of MSCS. The fund can be used for expenditure on manpower and other operating expenditure for purpose of these programmes.

	2017	2016
	S\$	S\$
Balance at beginning of year	-	-
Add: Grant received (Note 18)	<u>485,000</u>	<u>364,000</u>
	485,000	364,000
Less: Expenditure	<u>(485,000)</u>	<u>(364,000)</u>
Balance at end of year	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**21. TAXATION**

MSCS has been registered as a charity under the Charities Act and is exempted from income tax for the financial year under the provisions of the Income Tax Act Cap. 134.

**22. ANNUAL REMUNERATION**

The below disclosure represents remuneration bands for staff (inclusive one key management personnel for both years) with annual remuneration above S\$50,000:-

	<u>No. of staff</u>	
	2017	2016
Between S\$50,000 and S\$150,000	<u>5</u>	<u>6</u>

None of the Management Committee members received any emoluments in respect of their services as committee member of MSCS for both of the financial years.

**23. RESERVE POLICY**

The reserves have been set aside by the Management Committee to provide financial stability and the means for the development of its principal activities. These reserves will be critical when donations dry up or the economy is at a downturn.

The Management Committee regularly reviews the amount of reserves that are required to ensure that they are able to fulfill the continuing obligations.

**24. LOANS**

No loans were given to any parties during both financial years.

**25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

MSCS does not use derivative and other instrument in its risk management activities. The main risks arising from MSCS's financial instrument are credit risk, foreign currency risk, liquidity risk and interest risk. The Management Committee reviews and agrees with the policies and control procedures to manage its exposure to financial risks.

**Credit Risk**

MSCS has no significant concentrations of credit risk. Cash is placed with established financial institutions. The maximum exposure risk is represented by the carrying amount of each financial asset in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**Credit Risk (Continued)**

Financial assets that are neither past due nor impaired

Account and other receivables that are neither past due nor impaired are creditworthy debtors. Cash and cash equivalents that are neither past due nor impaired are placed with financial institution with high credit ratings.

Financial assets that are either past due and/or impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 4 to the financial statements.

**Interest Rate Risk**

MSCS exposure to market risk for changes in interest rates relates primarily to its holding of fixed deposits as disclosed in Note 7 to the financial statements. MSCS practice is to obtain favourable interest rates that are available to place its fixed deposits.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD fixed deposit interest rates had been 60 (2016: 60) basis points higher/lower with all other variables held constant, MSCS' net surplus would have been S\$18,000 (2016: S\$17,000) higher/lower.

**Liquidity Risk**

MSCS monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance MSCS operations and mitigate the effects of fluctuation in cash flows.

The major class of financial liabilities of MSCS is payables. The payables of S\$230,554 (2016: S\$336,167) are expected to mature within 1 year.

**Foreign Currency Risk**

MSCS is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**26. CATEGORIES OF FINANCIAL INSTRUMENTS**

The following table sets out the financial instruments as at the end of the reporting period:-

	2017 S\$	2016 S\$
<b>Assets</b>		
<u>Financial assets</u>		
Loan and receivables:-		
Account receivables	35,700	25,151
Other receivables	563,185	52,561
Deposits	6,350	6,740
Fixed deposits	3,023,637	2,840,100
Cash and bank balances	798,368	365,761
Total financial assets	<u>4,427,240</u>	<u>3,290,313</u>
<b>Liabilities</b>		
<u>Financial liabilities</u>		
At amortised cost:-		
Account payables	29,494	44,185
Other payables and accruals	201,060	291,982
Total financial liabilities	<u>230,554</u>	<u>336,167</u>

**27. FAIR VALUES**

The carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

**28. RECLASSIFICATION OF COMPARATIVE FIGURES**

Certain amount of accumulated fund of MSCS as at 31 January 2016 have been reclassified to care and share fund. The reclassification has no impact on the cash flows in prior years. The effect of reclassification is as follows:-

	As previously reported S\$	Effect of reclassification S\$	As restated S\$
<u>As at 31.01.2016</u>			
Statement of financial position:-			
Care and share fund	-	(155,089)	(155,089)
Accumulated fund	<u>2,857,744</u>	<u>155,089</u>	<u>3,012,833</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 JANUARY 2017**

**28. RECLASSIFICATION OF COMPARATIVE FIGURES (Continued)**

	As previously reported S\$	Effect of reclassification S\$	As restated S\$
<u>For the year ended 31.01.2016</u>			
Statement of financial activities:-			
<u>Unrestricted funds</u>			
- Grants received	(1,216,822)	731,667	(485,155)
- Student care services (unrestricted)	1,683,273	(970,890)	712,383
<u>Restricted funds</u>			
- Student care services (restricted)	-	970,890	970,890

The detailed comparative figures of statement of financial position have not been presented as the reclassifications have no impact to the overall financial statements other than those disclosed above.

**29. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS**

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 February 2017. MSCS does not expect that adoption of these accounting standards or interpretations will have a material impact on MSCS' financial statements.