

## **ALIVE COMMUNITY CHURCH**

[UEN. T03SS0128C]

[Registered under the Societies Act  
(Chapter 311) in the Republic of Singapore]

### **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

---

#### **CONTENTS**

|                                       |    |
|---------------------------------------|----|
| Statement by the Management Committee | 2  |
| Independent Auditors' Report          | 3  |
| Statement of Financial Position       | 5  |
| Statement of Financial Activities     | 6  |
| Statement of Changes in Funds         | 12 |
| Statement of Cash Flows               | 13 |
| Notes to the Financial Statements     | 14 |

---

## **Fiducia LLP**

(UEN. T10LL0955L)

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent,  
Excalibur Centre, #08-01,  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6725.8161

**STATEMENT BY THE MANAGEMENT COMMITTEE**

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 30 are drawn up so as to give a true and fair view of the financial position of the Church as at 31 December 2015 and of the financial activities, changes in funds and cash flows of the Church for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the Church will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, has on the date of this statement, authorised the issue of these financial statements.

|                     |                         |
|---------------------|-------------------------|
| President           | Mathew Mathews          |
| Vice President      | Terence Leong Yoong Hwa |
| Secretary           | Chang Chew Wai          |
| Treasurer           | Koh Cheow Khoo Richard  |
| Assistant Treasurer | Peck Chai Hoon          |
| Committee Member    | Lai Sock Hwang          |
| Committee Member    | Lim Poh Lin Aileen      |
| Committee Member    | Sandra Henrietta Subner |
| Committee Member    | Victor Chew Ban Chuan   |
| Committee Member    | Wong Wai Hoe            |

For and on behalf of the Management Committee,



---

Mathew Mathews  
President



---

Koh Cheow Khoo Richard  
Treasurer

Singapore, 27 APR 2016

## **Fiducia LLP**

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent,  
Excalibur Centre, #08-01,  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6725.8161

Independent auditors' report to the members of:

**ALIVE COMMUNITY CHURCH**  
[UEN. T03SS0128C]

[Registered under the Societies Act  
(Chapter 311) in the Republic of Singapore]

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Alive Community Church (the "Church") as set out on pages 5 to 30, which comprise the statement of financial position as at 31 December 2015 and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Fiducia LLP**

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent,  
Excalibur Centre, #08-01,  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6725.8161

(CONT'D)

Independent auditors' report to the members of:

**ALIVE COMMUNITY CHURCH**  
[UEN. T03SS0128C]

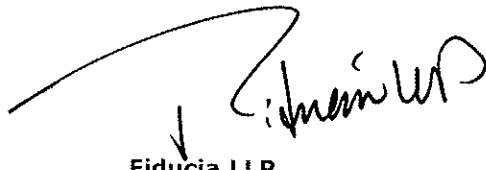
[Registered under the Societies Act  
(Chapter 311) in the Republic of Singapore]

### *Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Church as at 31 December 2015 and of the financial activities, changes in funds and cash flows of the Church for the financial year ended on that date.

### **Report on other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Church have been properly kept in accordance with those regulations.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants  
Singapore,

**27 APR 2016**

---

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015**

|                                   | Note | 2015<br>S\$    | 2014<br>S\$    |
|-----------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                     |      |                |                |
| <b>Current assets</b>             |      |                |                |
| Cash and cash equivalents         | 5    | 392,294        | 208,312        |
| Other receivables and prepayments | 6    | 15,007         | 3,539          |
| Amount owing from related parties | 7    | <u>36,791</u>  | <u>45,579</u>  |
|                                   |      | 444,092        | 257,430        |
| <b>Non-current assets</b>         |      |                |                |
| Property, plant and equipment     | 8    | <u>1,950</u>   | <u>43,252</u>  |
| <b>Total assets</b>               |      | <u>446,042</u> | <u>300,682</u> |
| <b>LIABILITIES</b>                |      |                |                |
| <b>Current liabilities</b>        |      |                |                |
| Other payables and accruals       | 9    | <u>63,363</u>  | <u>78,700</u>  |
| <b>Total liabilities</b>          |      | <u>63,363</u>  | <u>78,700</u>  |
| <b>NET ASSETS</b>                 |      | <u>382,679</u> | <u>221,982</u> |
| <b>FUNDS</b>                      |      |                |                |
| <b>Unrestricted funds</b>         |      |                |                |
| Accumulated general funds         | 10   | 322,607        | 160,774        |
| <b>Restricted funds</b>           |      |                |                |
| Mission fund                      | 11   | 49,818         | 48,878         |
| Building fund                     |      | 2,699          | 2,699          |
| Annie C Ling ESD fund             |      | <u>7,555</u>   | <u>9,631</u>   |
|                                   |      | <u>382,679</u> | <u>221,982</u> |

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

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

| 2015                                     | Unrestricted funds                  |                        |   |                                 | Total funds<br>S\$ |
|--|-------------------------------------|------------------------|---|---------------------------------|--------------------|
|  | Accumulated<br>general funds<br>S\$ | Mission<br>fund<br>S\$ | Restricted funds<br>Building<br>fund<br>S\$ | Annie C Ling ESD<br>fund<br>S\$ |                    |
| <b>INCOME</b>                            |                                     |                        |   |                                 |                    |
| <b>Income from generating funds</b>      |                                     |                        |   |                                 |                    |
| Voluntary income                         | 825,000                             | 110,216                | 0   | 0                               | 935,216            |
| - Tithes, offerings and pledges          | 47                                  | 0                      | 0   | 0                               | 47                 |
| - Donations received                     |                                     |                        |   |                                 |                    |
| <b>Income from charitable activities</b> |                                     |                        |   |                                 |                    |
| Church camp fees                         | 41,813                              | 0                      | 0   | 0                               | 41,813             |
| Sales of books, drinks and etc           | 6,159                               | 0                      | 0   | 0                               | 6,159              |
| Special offerings for speakers           | 7,790                               | 0                      | 0   | 0                               | 7,790              |
| <b>Other income</b>                      |                                     |                        |   |                                 |                    |
| Interest income                          | 119                                 | 0                      | 0   | 0                               | 119                |
| Wage credit scheme                       | 9,609                               | 0                      | 0   | 0                               | 9,609              |
| <b>Total income</b>                      | <b>890,537</b>                      | <b>110,216</b>         | <b>0</b>                                    | <b>0</b>                        | <b>1,000,753</b>   |
| <b>EXPENDITURE</b>                       |                                     |                        |   |                                 |                    |
| <b>Cost of charitable activities</b>     |                                     |                        |   |                                 |                    |
| Church camp and retreat                  | 58,260                              | 0                      | 0   | 0                               | 58,260             |
| Church expenses                          | 20,685                              | 0                      | 0   | 0                               | 20,685             |
| CPF contributions                        | 27,569                              | 0                      | 0   | 0                               | 27,569             |
| Balance carried forward                  | 106,514                             | 0                      | 0   | 0                               | 106,514            |

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

|   | Note | Unrestricted funds            |                  | Restricted funds  |                       |              | Total funds S\$ |
|---|------|-------------------------------|------------------|-------------------|-----------------------|--------------|-----------------|
|   |      | Accumulated general funds S\$ | Mission fund S\$ | Building fund S\$ | Annie C Ling fund S\$ | ESD fund S\$ |                 |
| <b>2015 (CONT'D)</b>                          |      |                               |                  |                   |                       |              |                 |
| <b>EXPENDITURE (CONT'D)</b>                   |      |                               |                  |                   |                       |              |                 |
| <b>Cost of charitable activities (Cont'd)</b> |      |                               |                  |                   |                       |              |                 |
| Balance brought forward                       |      | 106,514                       | 0                | 0                 | 0                     | 0            | 106,514         |
| Donations                                     |      | 257,659                       | 0                | 0                 | 0                     | 0            | 257,659         |
| Gifts   |      | 561                           | 0                | 0                 | 0                     | 0            | 561             |
| Pastoral expenses                             |      | 10,570                        | 0                | 0                 | 0                     | 0            | 10,570          |
| Purchase of books                             |      | 1,870                         | 0                | 0                 | 0                     | 0            | 1,870           |
| Salaries, allowances and bonus                |      | 204,735                       | 0                | 0                 | 0                     | 0            | 204,735         |
| Social concerns                               |      | 336                           | 0                | 0                 | 0                     | 0            | 336             |
| Speakers expenses                             |      | 45,652                        | 0                | 0                 | 0                     | 0            | 45,652          |
| Staff training and development expenses       |      | 404                           | 0                | 0                 | 0                     | 464          | 868             |
| Mission support                               |      | 0                             | 97,646           | 0                 | 0                     | 1,462        | 99,108          |
| Travelling, trip and outing activities        |      | 0                             | 11,311           | 0                 | 0                     | 0            | 11,311          |
| Others  |      | 375                           | 319              | 0                 | 0                     | 150          | 844             |
|   |      | 628,676                       | 109,276          | 0                 | 0                     | 2,076        | 740,028         |
| <b>Governance and administrative costs</b>    |      |                               |                  |                   |                       |              |                 |
| Audit fee                                     |      | 4,066                         | 0                | 0                 | 0                     | 0            | 4,066           |
| Bank charges                                  |      | 442                           | 0                | 0                 | 0                     | 0            | 442             |
| Depreciation of property, plant and equipment | 8    | 41,302                        | 0                | 0                 | 0                     | 0            | 41,302          |
| Insurance                                     |      | 1,760                         | 0                | 0                 | 0                     | 0            | 1,760           |
| Ministry expenses                             | 12   | 18,616                        | 0                | 0                 | 0                     | 0            | 18,616          |
| Office expenses                               |      | 2,121                         | 0                | 0                 | 0                     | 0            | 2,121           |
| Postage and courier                           |      | 795                           | 0                | 0                 | 0                     | 0            | 795             |
| Printing and stationery                       |      | 2,614                         | 0                | 0                 | 0                     | 0            | 2,614           |
| Balance carried forward                       |      | 71,716                        | 0                | 0                 | 0                     | 0            | 71,716          |

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

|   | Unrestricted funds            |                  | Restricted funds  |                           | Total funds S\$ |
|---|-------------------------------|------------------|-------------------|---------------------------|-----------------|
|   | Accumulated general funds S\$ | Mission fund S\$ | Building fund S\$ | Annie C Ling ESD fund S\$ |                 |
| <b>2015 (CONT'D)</b>                                |                               |                  |                   |                           |                 |
| <b>EXPENDITURE (CONT'D)</b>                         |                               |                  |                   |                           |                 |
| <b>Governance and administrative costs (Cont'd)</b> |                               |                  |                   |                           |                 |
| Balance brought forward                             | 71,716                        | 0                | 0                 | 0                         | 71,716          |
| Refreshments  | 20,984                        | 0                | 0                 | 0                         | 20,984          |
| Repair and maintenance of premises                  | 388                           | 0                | 0                 | 0                         | 388             |
| Telecommunications                                  | 6,940                         | 0                | 0                 | 0                         | 6,940           |
|   | <u>100,028</u>                | <u>0</u>         | <u>0</u>          | <u>0</u>                  | <u>100,028</u>  |
| <b>Total expenditure</b>                            | <b>728,704</b>                | <b>109,276</b>   | <b>0</b>          | <b>2,076</b>              | <b>840,056</b>  |
| <b>NET INCOME / (EXPENDITURE)</b>                   | <b>161,833</b>                | <b>940</b>       | <b>0</b>          | <b>(2,076)</b>            | <b>160,697</b>  |
| <b>FUNDS BROUGHT FORWARD</b>                        | <b>160,774</b>                | <b>48,878</b>    | <b>2,699</b>      | <b>9,631</b>              | <b>221,982</b>  |
| <b>FUNDS CARRIED FORWARD</b>                        | <b>322,607</b>                | <b>49,818</b>    | <b>2,699</b>      | <b>7,555</b>              | <b>382,679</b>  |



**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

| 2014                                     | Unrestricted funds            |                  | Restricted funds  |                           | Total funds S\$ |
|--|-------------------------------|------------------|-------------------|---------------------------|-----------------|
|  | Accumulated general funds S\$ | Mission fund S\$ | Building fund S\$ | Annie C Ling ESD fund S\$ |                 |
| <b>INCOME</b>                            |                               |                  |                   |                           |                 |
| <b>Income from generating funds</b>      |                               |                  |                   |                           |                 |
| Voluntary income                         | 718,874                       | 72,700           | 0                 | 0                         | 791,574         |
| - Tithes, offerings and pledges          | 0                             | 0                | 0                 | 800                       | 800             |
| - Donations received                     |                               |                  |                   |                           |                 |
| <b>Income from charitable activities</b> |                               |                  |                   |                           |                 |
| Church camp fees                         | 43,208                        | 0                | 0                 | 0                         | 43,208          |
| Sales of books, drinks and etc           | 3,023                         | 0                | 0                 | 0                         | 3,023           |
| Special offerings for speakers           | 21,027                        | 0                | 0                 | 0                         | 21,027          |
| <b>Other income</b>                      |                               |                  |                   |                           |                 |
| Interest income                          | 66                            | 0                | 0                 | 0                         | 66              |
| Other income                             | 608                           | 0                | 0                 | 0                         | 608             |
| Other payable written back               | 0                             | 0                | 0                 | 0                         | 0               |
| Wage credit scheme                       | 5,596                         | 0                | 0                 | 0                         | 5,596           |
| <b>Total income</b>                      | <b>792,402</b>                | <b>72,700</b>    | <b>0</b>          | <b>800</b>                | <b>865,902</b>  |
| <b>EXPENDITURE</b>                       |                               |                  |                   |                           |                 |
| <b>Cost of charitable activities</b>     |                               |                  |                   |                           |                 |
| Church camp and retreat                  | 49,479                        | 0                | 0                 | 0                         | 49,479          |
| Church expenses                          | 20,855                        | 0                | 0                 | 0                         | 20,855          |
| Contract service                         | 1,143                         | 0                | 0                 | 0                         | 1,143           |
| Balance carried forward                  | 71,477                        | 0                | 0                 | 0                         | 71,477          |

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

| 2014 (CONT'D)                                 | Note | Unrestricted funds            |                  | Restricted funds  |                       | Total funds S\$ |
|---|------|-------------------------------|------------------|-------------------|-----------------------|-----------------|
|   |      | Accumulated general funds S\$ | Mission fund S\$ | Building fund S\$ | Annie C Ling fund S\$ |                 |
| <b>EXPENDITURE (CONT'D)</b>                   |      |                               |                  |                   |                       |                 |
| <b>Cost of charitable activities (Cont'd)</b> |      |                               |                  |                   |                       |                 |
| Balance brought forward                       |      | 71,477                        | 0                | 0                 | 0                     | 71,477          |
| CPF contributions                             |      | 20,979                        | 0                | 0                 | 0                     | 20,979          |
| Donations                                     |      | 323,578                       | 0                | 0                 | 0                     | 323,578         |
| Gifts   |      | 659                           | 0                | 0                 | 0                     | 659             |
| Pastoral expenses                             |      | 12,133                        | 0                | 0                 | 0                     | 12,133          |
| Purchase of books                             |      | 151                           | 0                | 0                 | 0                     | 151             |
| Resource library                              |      | 3,013                         | 0                | 0                 | 0                     | 3,013           |
| Salaries, allowances and bonus                |      | 169,047                       | 0                | 0                 | 0                     | 169,047         |
| Social concerns                               |      | 2,332                         | 0                | 0                 | 0                     | 2,332           |
| Speakers expenses                             |      | 36,147                        | 0                | 0                 | 0                     | 36,147          |
| Staff training and development expenses       |      | 386                           | 0                | 0                 | 0                     | 386             |
| Mission support                               |      | 0                             | 48,246           | 0                 | 0                     | 48,246          |
| Traveling, trip and outing activities         |      | 0                             | 9,144            | 0                 | 60                    | 9,204           |
| Others  |      | 605                           | 3,983            | 0                 | 0                     | 4,588           |
|   |      | 640,507                       | 61,373           | 0                 | 60                    | 701,940         |
| <b>Governance and administrative costs</b>    |      |                               |                  |                   |                       |                 |
| Audit fee                                     |      | 4,066                         | 0                | 0                 | 0                     | 4,066           |
| Bank charges                                  |      | 625                           | 0                | 0                 | 0                     | 625             |
| Depreciation of property, plant and equipment | 8    | 22,414                        | 0                | 24,721            | 0                     | 47,135          |
| Insurance                                     |      | 2,088                         | 0                | 0                 | 0                     | 2,088           |
| Ministry expenses                             | 12   | 19,078                        | 0                | 0                 | 0                     | 19,078          |
| Office expenses                               |      | 1,576                         | 0                | 0                 | 0                     | 1,576           |
| Postage and courier                           |      | 109                           | 0                | 0                 | 0                     | 109             |
| Printing and stationery                       |      | 1,934                         | 0                | 0                 | 0                     | 1,934           |
| Balance carried forward                       |      | 51,890                        | 0                | 24,721            | 0                     | 76,611          |

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

|   | Unrestricted funds            |                  | Restricted funds  |                           | Total funds S\$ |
|---|-------------------------------|------------------|-------------------|---------------------------|-----------------|
|   | Accumulated general funds S\$ | Mission fund S\$ | Building fund S\$ | Annie C Ling ESD fund S\$ |                 |
| <b>2014 (CONT'D)</b>                                |                               |                  |                   |                           |                 |
| <b>EXPENDITURE (CONT'D)</b>                         |                               |                  |                   |                           |                 |
| <b>Governance and administrative costs (Cont'd)</b> |                               |                  |                   |                           |                 |
| Balance brought forward                             | 51,890                        | 0                | 24,721            | 0                         | 76,611          |
| Refreshments  | 20,180                        | 0                | 0                 | 0                         | 20,180          |
| Repair and maintenance of premises                  | 494                           | 0                | 0                 | 0                         | 494             |
| Telecommunications                                  | 7,390                         | 0                | 0                 | 0                         | 7,390           |
|   | <u>79,954</u>                 | <u>0</u>         | <u>24,721</u>     | <u>0</u>                  | <u>104,675</u>  |
| <b>Total expenditure</b>                            | <u>720,461</u>                | <u>61,373</u>    | <u>24,721</u>     | <u>60</u>                 | <u>806,615</u>  |
| <b>NET INCOME / (EXPENDITURE)</b>                   | 71,941                        | 11,327           | (24,721)          | 740                       | 59,287          |
| <b>FUNDS BROUGHT FORWARD</b>                        | <u>88,833</u>                 | <u>37,551</u>    | <u>27,420</u>     | <u>8,891</u>              | <u>162,695</u>  |
| <b>FUNDS CARRIED FORWARD</b>                        | <u>160,774</u>                | <u>48,878</u>    | <u>2,699</u>      | <u>9,631</u>              | <u>221,982</u>  |

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

**STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

|                           | Balance at<br>beginning<br>of year<br>S\$ | Net income /<br>(expenditure)<br>for the year<br>S\$    | Balance at<br>end of<br>year<br>S\$ |
|---------------------------|---|---|-------------------------------------|
| <b>2015</b>               |   |   |                                     |
| <b>Unrestricted funds</b> |   |   |                                     |
| Accumulated general fund  | 160,774                                   | 161,833   | 322,607                             |
| <b>Restricted funds</b>   |   |   |                                     |
| Mission fund              | 48,878                                    | 940   | 49,818                              |
| Building fund             | 2,699                                     | 0   | 2,699                               |
| Annie C Ling ESD fund     | 9,631                                     | (2,076)   | 7,555                               |
|                           | <u>221,982</u>                            | <u>160,697</u>  | <u>382,679</u>                      |
|                           | Balance at<br>beginning<br>of year<br>S\$ | Net income /<br>(expenditure)<br>for the<br>year<br>S\$ | Balance at<br>end of<br>year<br>S\$ |
| <b>2014</b>               |   |   |                                     |
| <b>Unrestricted funds</b> |   |   |                                     |
| Accumulated general fund  | 88,833                                    | 71,941  | 160,774                             |
| <b>Restricted funds</b>   |   |   |                                     |
| Mission fund              | 37,551                                    | 11,327  | 48,878                              |
| Building fund             | 27,420                                    | (24,721)  | 2,699                               |
| Annie C Ling ESD fund     | 8,891                                     | 740   | 9,631                               |
|                           | <u>162,695</u>                            | <u>59,287</u>   | <u>221,982</u>                      |

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

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

|   | Note | 2015<br>S\$    | 2014<br>S\$    |
|---|------|----------------|----------------|
| <b>Cash flows from operating activities</b>                   |      |                |                |
| Net income for the year                                       |      | 160,697        | 59,287         |
| Adjustments for:  |      |                |                |
| - Depreciation of property, plant and equipment               | 8    | 41,302         | 47,135         |
| - Interest income   |      | (119)          | (66)           |
| Operating cash flow before working capital changes            |      | <u>201,880</u> | <u>106,356</u> |
| Changes in working capital                                    |      |                |                |
| - Other receivables   |      | (11,468)       | 16,644         |
| - Other payables and accruals                                 |      | (15,337)       | (13,466)       |
| <b>Net cash flow from operating activities</b>                |      | <u>175,075</u> | <u>109,534</u> |
| <b>Cash flows from investing activities</b>                   |      |                |                |
| Interest received   |      | 119            | 66             |
| Purchase of property, plant and equipment                     | 8    | <u>0</u>       | <u>(5,400)</u> |
| <b>Net cash generated from/(used in) investing activities</b> |      | <u>119</u>     | <u>(5,334)</u> |
| <b>Cash flows from financing activities</b>                   |      |                |                |
| Amount owing from related parties                             |      | <u>8,788</u>   | <u>(8,787)</u> |
| <b>Net cash generated from/(used in) financing activities</b> |      | <u>8,788</u>   | <u>(8,787)</u> |
| <b>Net increase in cash and cash equivalents</b>              |      | 183,982        | 95,413         |
| Cash and cash equivalents at beginning of financial year      |      | 208,312        | 112,899        |
| <b>Cash and cash equivalents at end of financial year</b>     |      | <u>392,294</u> | <u>208,312</u> |
| <b>Cash and cash equivalents comprise:</b>                    |      |                |                |
| Cash on hand  |      | 430            | 431            |
| Cash at bank  |      | <u>391,864</u> | <u>207,881</u> |
|   | 5    | <u>392,294</u> | <u>208,312</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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

**1. General information**

Alive Community Church ("the Church") was registered under the Societies Act (Chapter 311) on 15 August 2003. The Church became a registered charity under the Charities Act (Chapter 37) on 1 June 2004.

The Church is registered and domiciled in Singapore. The address of its registered office is located at 133 New Bridge Road, #13-10 Chinatown Point, Singapore 059413 and its principal place of activities is located at 10 Arumugam Road, #04-00 Lion Building A, Singapore 409957.

The principal activities of the Church are to propagate the gospel and teachings of the Christian faith and to provide welfare and community services both to its members and the public.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"), the disclosure requirements of the Societies Act (Chapter 311) and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Church's functional currency.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Church's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

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.

---

**2. Significant accounting policies (Cont'd)**

**2.1 Basis of preparation (Cont'd)**

2.1.1 Interpretations and amendments to published standards effective in 2015 (Cont'd)

The Church has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Church's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Church:

| <b><u>FRS</u></b> | <b><u>Effective date</u></b> | <b><u>Title</u></b>   |
|-------------------|------------------------------|---|
| FRS 16            | 1.7.2014                     | Improvements 2014 – Property, plant and equipment                           |
| FRS 19            | 1.7.2014                     | Amendments - Defined benefit plans: Employee Contributions                  |
| FRS 24            | 1.7.2014                     | Improvements 2014 – Related party disclosures                               |
| FRS 27            | 1.1.2014                     | Separate Financial Statements   |
| FRS 32            | 1.1.2014                     | Amendments to FRS 32: Offsetting Financial Assets and Financial Liabilities |
| FRS 110           | 1.1.2014                     | Consolidated Financial Statements   |
| FRS 112           | 1.1.2014                     | Disclosure of Interests in Other Entities                                   |
| FRS 113           | 1.7.2014                     | Improvements 2014 – Fair Value Measurement                                  |

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Church and had no material effect on the amounts reported for the current or prior financial year.

2.1.2 Standards issued but not yet effective

The Church did not early adopt the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued at the date of authorisation of these financial statements but not yet effective until future period:

| <b><u>FRS</u></b> | <b><u>Effective date</u></b> | <b><u>Title</u></b>  |
|-------------------|------------------------------|--|
| FRS 16, 38        | 1.1.2016                     | Amendments – Classification of Acceptable Methods of Depreciation and Amortisation |
| FRS 115           | 1.1.2018                     | Revenue from Contracts with Customers  |
| FRS 109           | 1.1.2018                     | Financial Instruments  |

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

## **2. Significant accounting policies (Cont'd)**

### **2.2 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Church's activities. Revenue is recognised as follows:

#### **2.2.1 Donations, tithes and offerings**

Donations, tithes and offerings are recognised as and when received.

#### **2.2.2 Church camp fee**

Church camp fee is recognised over the period in which the camp are held.

#### **2.2.3 Sales of books, drinks and etc**

Revenue from sales of books, drinks and etc are recognised upon delivery of the items sold.

#### **2.2.4 Interest income**

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

#### **2.2.5 Other income**

Other income is recognised upon receipt.

### **2.3 Expenditure recognition**

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

#### **2.3.1. Cost of charitable activities**

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Church.

#### **2.3.2. Governance and administrative costs**

Governance costs include the costs of governance arrangement, which relate to the general running of the Church, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.



## **2. Significant accounting policies (Cont'd)**

### **2.4 Property, plant and equipment**

#### **2.4.1 Measurement**

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

#### **2.4.2 Depreciation**

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

|                        | Useful life |
|------------------------|-------------|
| Computers              | 1 year      |
| Furniture and fittings | 3 years     |
| Music instruments      | 5 years     |
| Office equipment       | 3 years     |
| Renovation             | 3 years     |

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting 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.

#### **2.4.3 Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that has 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 Church and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

#### **2.4.4 Disposal**

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

## **2. Significant accounting policies (Cont'd)**

### **2.5 Impairment of non-financial assets**

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if; there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

### **2.6 Financial assets**

#### **2.6.1 Classification**

The Church classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Other receivables", "Amount owing from related parties" and "Cash and cash equivalents" on the statement of financial position.

#### **2.6.2 Recognition and derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Church has transferred substantially all risks and rewards of ownership.

#### **2.6.3 Measurement**

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

**2. Significant accounting policies (Cont'd)**

**2.6 Financial assets**

2.6.4 Impairment

The Church assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of receivables is recognised when there is objective evidence that the Church will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities.

**2.7 Other receivables**

Other receivables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

**2.8 Amount owing from related parties**

Amount owing from related parties are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

**2.9 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, and deposits with financial institutions, which are subject to an insignificant risk of change in value.

**2.10 Financial liabilities**

Financial liabilities are recognised when the Church becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables and accruals" on the statements of financial position.

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or 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 respective carrying amounts is recognised in the statement of financial activities.

**2.11 Other payables and accruals**

Other payables and accruals are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

**2. Significant accounting policies (Cont'd)**

**2.12 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Church has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

**2.13 Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Church if that person:
  - (i) Has control or joint control over the Church;
  - (ii) Has significant influence over the Church; or
  - (iii) Is a member of the key management personnel of the Church or of a parent of the Church;
- (b) An entity is related to the Church if any of the following conditions applies:
  - (i) The entity and the Church are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Church or an entity related to the Church. If the Church is itself such a plan, the sponsoring employers are also related to the Church;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

## **2. Significant accounting policies (Cont'd)**

### **2.14 Employee compensation**

#### **2.14.1 Defined contribution plans**

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

#### **2.14.2 Employment leave entitlement**

Employees' 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 reporting date.

### **2.15 Currency translation**

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

## **3. Critical accounting estimates, assumptions and judgements**

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.

### **3.1 Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **3.1.1 Estimated useful lives of property, plant and equipment**

The Church 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.

**3. Critical accounting estimates, assumptions and judgements (Cont'd)**

**3.2 Critical judgements in applying the entity's accounting policies**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**3.2.1 Allowance for impairment of receivables**

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

**3.2.2 Impairment of property, plant and equipment**

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

**4. Income tax**

The Church is an approved charity and no provision for taxation has been made in the financial statements as it is exempted from income tax under Section 13(1) of the Income Tax Act.

**5. Cash and cash equivalents**

|              | 2015<br>S\$    | 2014<br>S\$    |
|--------------|----------------|----------------|
| Cash on hand | 430            | 431            |
| Cash at bank | <u>391,864</u> | <u>207,881</u> |
|              | <u>392,294</u> | <u>208,312</u> |

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair value.

---

**6. Other receivables and prepayments**

|                             | 2015<br>S\$   | 2014<br>S\$  |
|-----------------------------|---------------|--------------|
| Church camp fee receivables | 7,039         | 3,539        |
| Prepayments                 | 7,968         | 0            |
|                             | <u>15,007</u> | <u>3,539</u> |

At the reporting date, the carrying amounts of other receivables approximated their fair value.

**7. Amount owing from related parties**

|   | 2015<br>S\$     | 2014<br>S\$     |
|---|-----------------|-----------------|
| Amount owing by related parties                   | 73,582          | 82,370          |
| Less : Allowance on impairment of a related party | <u>(36,791)</u> | <u>(36,791)</u> |
|   | <u>36,791</u>   | <u>45,579</u>   |

The amount owing by related parties is unsecured, non-interest bearing and repayable on demand.

|                                  | 2015<br>S\$   | 2014<br>S\$   |
|----------------------------------|---------------|---------------|
| At beginning and end of the year | <u>36,791</u> | <u>36,791</u> |

At the reporting date, the carrying amounts of amount owing by related parties approximated their fair value.

**8. Property, plant and equipment**

|                                 | Balance at<br>beginning of<br>year<br>S\$ | Additions<br>S\$              | (Disposals)<br>S\$           | Balance at<br>end of<br>year<br>S\$ |
|---------------------------------|---|-------------------------------|------------------------------|-------------------------------------|
| <b>2015</b>                     |   |                               |                              |                                     |
| <b>At cost</b>                  |   |                               |                              |                                     |
| Computers                       | 30,506                                    | 0                             | 0                            | 30,506                              |
| Office equipment                | 46,315                                    | 0                             | 0                            | 46,315                              |
| Furniture and fittings          | 10,024                                    | 0                             | 0                            | 10,024                              |
| Musical instruments             | 12,747                                    | 0                             | 0                            | 12,747                              |
| Renovation                      | 74,164                                    | 0                             | 0                            | 74,164                              |
|                                 | <u>173,756</u>                            | <u>0</u>                      | <u>0</u>                     | <u>173,756</u>                      |
|                                 | Balance at<br>beginning of<br>year<br>S\$ | Depreciation<br>charge<br>S\$ | (Written<br>back/off)<br>S\$ | Balance at<br>end of<br>year<br>S\$ |
| <b>Accumulated depreciation</b> |   |                               |                              |                                     |
| Computers                       | 30,506                                    | 0                             | 0                            | 30,506                              |
| Office equipment                | 32,202                                    | 14,113                        | 0                            | 46,315                              |
| Furniture and fittings          | 9,187                                     | 837                           | 0                            | 10,024                              |
| Musical instruments             | 9,167                                     | 1,630                         | 0                            | 10,797                              |
| Renovation                      | 49,442                                    | 24,722                        | 0                            | 74,164                              |
|                                 | <u>130,504</u>                            | <u>41,302</u>                 | <u>0</u>                     | <u>171,806</u>                      |
|                                 | Balance at<br>beginning of<br>year<br>S\$ |                               |                              | Balance at<br>end of<br>year<br>S\$ |
| <b>Net book value</b>           |   |                               |                              |                                     |
| Computers                       | 0   |                               |                              | 0                                   |
| Office equipment                | 14,113                                    |                               |                              | 0                                   |
| Furniture and fittings          | 837                                       |                               |                              | 0                                   |
| Musical instruments             | 3,580                                     |                               |                              | 1,950                               |
| Renovation                      | 24,722                                    |                               |                              | 0                                   |
|                                 | <u>43,252</u>                             |                               |                              | <u>1,950</u>                        |



**8. Property, plant and equipment (Cont'd)**

|                                 | Balance at<br>beginning of<br>year<br>S\$ | Additions<br>S\$              | (Disposals/<br>Written off)<br>S\$ | Balance at<br>end of<br>year<br>S\$ |
|---------------------------------|---|-------------------------------|------------------------------------|-------------------------------------|
| <b>2014</b>                     |   |                               |                                    |                                     |
| <b>At cost</b>                  |   |                               |                                    |                                     |
| Computers                       | 25,106                                    | 5,400                         | 0                                  | 30,506                              |
| Office equipment                | 46,315                                    | 0                             | 0                                  | 46,315                              |
| Furniture and fittings          | 10,024                                    | 0                             | 0                                  | 10,024                              |
| Musical instruments             | 12,747                                    | 0                             | 0                                  | 12,747                              |
| Renovation                      | 74,164                                    | 0                             | 0                                  | 74,164                              |
|                                 | <u>168,356</u>                            | <u>5,400</u>                  | <u>0</u>                           | <u>173,756</u>                      |
|                                 | Balance at<br>beginning of<br>year<br>S\$ | Depreciation<br>charge<br>S\$ | (Written<br>back/off)<br>S\$       | Balance at<br>end of<br>Year<br>S\$ |
| <b>Accumulated depreciation</b> |   |                               |                                    |                                     |
| Computers                       | 25,106                                    | 5,400                         | 0                                  | 30,506                              |
| Office equipment                | 17,655                                    | 14,547                        | 0                                  | 32,202                              |
| Furniture and fittings          | 8,349                                     | 838                           | 0                                  | 9,187                               |
| Musical instruments             | 7,538                                     | 1,629                         | 0                                  | 9,167                               |
| Renovation                      | 24,721                                    | 24,721                        | 0                                  | 49,442                              |
|                                 | <u>83,369</u>                             | <u>47,135</u>                 | <u>0</u>                           | <u>130,504</u>                      |
|                                 | Balance at<br>beginning of<br>year<br>S\$ |                               |                                    | Balance at<br>end of<br>year<br>S\$ |
| <b>Net book value</b>           |   |                               |                                    |                                     |
| Computers                       | 0   |                               |                                    | 0                                   |
| Office equipment                | 28,660                                    |                               |                                    | 14,113                              |
| Furniture and fittings          | 1,675                                     |                               |                                    | 837                                 |
| Musical instruments             | 5,209                                     |                               |                                    | 3,580                               |
| Renovation                      | 49,443                                    |                               |                                    | 24,722                              |
|                                 | <u>84,987</u>                             |                               |                                    | <u>43,252</u>                       |

**9. Other payables and accruals**

|                              | 2015<br>S\$   | 2014<br>S\$   |
|------------------------------|---------------|---------------|
| Church camp accrued expenses | 19,737        | 25,681        |
| Other operating costs        | 10,542        | 23,518        |
| Other payables               | 0             | 50            |
| Staff costs and benefits     | 33,084        | 29,451        |
|                              | <u>63,363</u> | <u>78,700</u> |

**9. Other payables and accruals (Cont'd)**

At the reporting date, the carrying amounts of the payable and accruals approximated their fair values and were denominated in the following currencies:

|                      | 2015<br>S\$   | 2014<br>S\$   |
|----------------------|---------------|---------------|
| Malaysian Ringgit    | 17,537        | 23,719        |
| Singapore Dollar     | 45,826        | 43,485        |
| United States Dollar | 0             | 11,496        |
|                      | <u>63,363</u> | <u>78,700</u> |

**10. Accumulated general funds**

The accumulated general funds represent the accumulated income of the Church. It is unrestricted and is for the purpose of meeting the expenditure in accordance with the objectives of the Church.

**11. Restricted funds**

The Mission fund was established to support missionaries, missionary organisations and projects.

The Building fund was established for the purpose of financing the Church's future purchase or construction of its own church building and renovation of the Church's premises.

The Annie C Ling Education Social Development (ESD) fund was established in commemorate of Annie C Ling and the fund will be used to provide financial assistance to student for educational and character development purpose.

**12. Ministry Expenses**

|                            | 2015<br>S\$   | 2014<br>S\$   |
|----------------------------|---------------|---------------|
| Cell ministry              | 0             | 118           |
| Chinese ministry           | 0             | 71            |
| Church outreach            | 7,620         | 7,083         |
| Leaders ministry           | 576           | 339           |
| Prayer ministry            | 37            | 62            |
| Sound and video ministry   | 20            | 569           |
| Sunday school ministry     | 4,615         | 4,678         |
| Treasury department        | 32            | 179           |
| Worship and music ministry | 2,202         | 1,142         |
| Youth/Sports ministry      | 3,514         | 4,837         |
|                            | <u>18,616</u> | <u>19,078</u> |

**13. Related party transactions**

**13.1.** The related party transactions during the financial year are as follows:

|   | 2015<br>S\$    | 2014<br>S\$    |
|---|----------------|----------------|
| Donations given to related parties                                    |                |                |
| - Alive Community Network   | 240,000        | 293,102        |
| - Alive Community Enterprise  | <u>3,029</u>   | <u>4,500</u>   |
|   | <u>243,029</u> | <u>297,602</u> |
| Love offering to close family member of<br>a key management personnel | <u>3,600</u>   | <u>3,600</u>   |

Balance with related parties as at the reporting date are set out in Note 7.

**13.2.** The key management personnel compensation for the financial year is as follows:

|   | 2015<br>S\$   | 2014<br>S\$   |
|---|---------------|---------------|
| Short-term employee benefit             |               |               |
| - Salary, bonus and other related costs | 131,138       | 122,930       |
| Post-employment benefit                 |               |               |
| - CPF contributions                     | <u>36,555</u> | <u>15,134</u> |

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Church, directly and indirectly.

The remuneration bands of the top three key executives are as follow:

| Remuneration band (S\$)         | 2015<br>No. of<br>personnel | 2014<br>No. of<br>personnel |
|---------------------------------|-----------------------------|-----------------------------|
| Between S\$100,001 to \$150,000 | 0                           | 0                           |
| Between S\$50,001 to \$100,000  | 1                           | 1                           |
| Between S\$10,001 to \$50,000   | <u>2</u>                    | <u>2</u>                    |

Members of the management committee are volunteers and none received any remuneration or reimbursement during the year (2014: Nil).

**14. Financial instruments and financial risk management**

The Church is exposed to financial risks arising from its activities and the use of financial instruments. The key financial risks include credit risk, foreign currency risk and liquidity risk. The Management Committee reviews and agrees policies and procedures for the management of these risks, which are executed by the committee. The Church does not apply hedge accounting.

The following sections provide details regarding the Church's exposure to these risks:

**14. Financial instruments and financial risk management (Cont'd)**

**14.1 Credit risk**

Credit risk is the potential financial loss resulting from the counter party defaulting on its contractual obligations to the Church. The Church has no significant concentrations of credit risk.

Credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies.

**14.2 Foreign currency risk**

The Church transacts activities in Singapore Dollar. Foreign currency risk arises from expenses that took effect in currencies other than the functional currency Singapore Dollar.

The Church presently does not enter into foreign exchange contracts to hedge its foreign exchange risk resulting from cash flows from transactions denominated in foreign currencies, mainly United States Dollar and Malaysian Ringgit. However, the Church reviews periodically that its net exposure is kept at an acceptable level.

As the Church transacts substantially in Singapore Dollar, it has only exposure to relatively immaterial liabilities in United States Dollar and Malaysian Ringgit (Note 9), the Management Committee determined that sensitivity to the exchange rate changes does not impose significant impact on the results and activities of the Church.

**14.3 Liquidity risk**

Liquidity risk is the risk that the Church will encounter difficulty in meeting its financial obligations due to shortage of funds. The Church exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Church maintains a level of cash and cash equivalents deemed adequate to finance the Church's activities.

**14. Financial instruments and financial risk management (Cont'd)**

The table below summarises the maturity profile of the Church's financial assets and liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

|                                   | Within one<br>year<br>S\$ | Later than one<br>year but not later<br>than five years<br>S\$ | Total<br>S\$    |
|-----------------------------------|---------------------------|--|-----------------|
| <b>2015</b>                       |                           |  |                 |
| <b>Financial assets</b>           |                           |  |                 |
| Cash and cash equivalents         | 392,294                   | 0  | 392,294         |
| Other receivables                 | 7,039                     | 0  | 7,039           |
| Amount owing from related parties | <u>36,791</u>             | <u>0</u>   | <u>36,791</u>   |
|                                   | 436,124                   | 0  | 436,124         |
| <b>Financial liabilities</b>      |                           |  |                 |
| Other payables and accruals       | <u>(63,363)</u>           | <u>0</u>   | <u>(63,363)</u> |
|                                   | <u>372,761</u>            | <u>0</u>   | <u>372,761</u>  |
| <b>2014</b>                       |                           |  |                 |
| <b>Financial assets</b>           |                           |  |                 |
| Cash and cash equivalents         | 208,312                   | 0  | 208,312         |
| Other receivables                 | 3,539                     | 0  | 3,539           |
| Amount owing from related parties | <u>45,579</u>             | <u>0</u>   | <u>45,579</u>   |
|                                   | 257,430                   | 0  | 257,430         |
| <b>Financial liabilities</b>      |                           |  |                 |
| Other payables and accruals       | <u>(78,700)</u>           | <u>0</u>   | <u>(78,700)</u> |
|                                   | <u>178,730</u>            | <u>0</u>   | <u>178,730</u>  |

**14.4 Fair values**

As at 31 December 2015, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Church approximate their fair values due to their short-term nature.

**15. Reserve position and policy**

The Church's reserve position for financial year ended 31 December 2015 is as follows:

|   |  | 2015    | 2014    | Increase /<br>(Decrease) |
|---|--|---------|---------|--------------------------|
|   |  | S\$'000 | S\$'000 | %                        |
| A | Unrestricted funds                                   |         |         |                          |
|   | Accumulated general funds                            | 323     | 161     | 100.62                   |
| B | Restricted or Designated funds                       |         |         |                          |
|   | Designated funds                                     | N/A     | N/A     | N/A                      |
|   | Restricted funds                                     | 60      | 61      | (1.64)                   |
| C | Endowment funds                                      | N/A     | N/A     | N/A                      |
| D | Total funds  | 383     | 222     | 72.52                    |
| E | Total annual operating expenditure                   | 840     | 807     | 4.09                     |
| F | Ratio of funds to annual operating expenditure (A/E) | 0.38    | 0.20    |                          |

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenditure related to Cost of charitable activities and Governance and other operating and administration expenditure.

The Church's reserve policy is as follows:

The Church would hold its reserves up to a year's operational expenses.

**16. Management of conflict of interest**

During the financial year, none of the management committee members received any remuneration from the Church.

Management committee are required to disclose any interest that they may have, whether directly or indirectly, that the Church may enter into or in any organisations that the Church has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Church's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected management committee 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.

**17. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee of the Church on

**27 APR 2016**