

ALIVE COMMUNITY CHURCH
(UEN: T03SS0128C)

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2010

ALIVE COMMUNITY CHURCH

STATEMENT OF THE MEMBERS OF THE CHURCH COMMITTEE

In the opinion of the members of the Church Committee, the financial statements of **Alive Community Church** ("the Church") set out on pages 4 to 17 are drawn up in accordance with the provisions of the Societies Act, Cap. 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Church at 31 December 2010 and of its results, changes in funds and cash flows of the Church for the year then ended.

The Church Committee authorised these financial statements for issue on 1 November 2011.

On behalf of the Church Committee



MATHEW MATHEWS
President



VICTOR CHEW BAN CHUAN
Treasurer

Singapore
1 November 2011

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALIVE COMMUNITY CHURCH**

Report on the Financial Statements

We have audited the accompanying financial statements of **Alive Community Church** ("the Church"), which comprise the balance sheet as at 31 December 2010, and the statement of comprehensive income and expenditure, statement of changes in funds, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Church Committee's Responsibility for the Financial Statements

The Church Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Cap.311 ("the Act") 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 statement of comprehensive income and expenditure and balance sheet and to maintain accountability of assets.

Auditor's 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 from material misstatement.

An audit involves performing procedures to obtain audit 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 risks assessments, the auditor considers internal control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Church Committee, 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.

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Church as at 31 December 2010, and of its results, changes in funds and cash flows of the Church for the year then ended on that date.

Other Matter

The financial statements of the Church for the year ended 31 December 2009 were audited by another auditor who expressed an unmodified opinion on those financial statements in their report dated 3 September 2010. Our examination does not relate to the results for that period which are presented as comparative figures.



GABRIEL NG & CO
Public Accountants and
Certified Public Accountants

Singapore
1 November 2011

ALIVE COMMUNITY CHURCH

BALANCE SHEET AS AT 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		\$	\$
ASSETS			
Current assets			
Other receivables	4	62,882	80,537
Cash and cash equivalents	5	72,922	140,924
		<u>135,804</u>	<u>221,461</u>
Non-current assets			
Property, plant and equipment	6	6,059	920
		<u>141,863</u>	<u>222,381</u>
Total assets		<u>141,863</u>	<u>222,381</u>
LIABILITIES			
Current liabilities			
Other payables	7	40,611	3,469
		<u>101,252</u>	<u>218,912</u>
NET ASSETS		<u>101,252</u>	<u>218,912</u>
Represented by:			
FUNDS			
General fund		76,856	218,912
Mission fund		316	-
Building fund		24,080	-
TOTAL FUNDS		<u>101,252</u>	<u>218,912</u>

The accompany notes to the financial statements form an integral part of the financial statements.

ALIVE COMMUNITY CHURCH

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u> \$	<u>2009</u> \$
<u>INCOME</u>			
<u>General fund</u>			
Tithes, offerings and pledges		402,886	463,724
Sales of books		626	-
Donations received		3,671	-
Interest received		86	355
Jobs credit grant from government		1,497	6,872
Special offerings		17,242	-
Other income		966	-
		<u>426,974</u>	<u>470,951</u>
<u>Mission fund</u>			
Offerings and pledges		<u>30,094</u>	<u>-</u>
<u>Building fund</u>			
Offerings and pledges		<u>24,080</u>	<u>-</u>
TOTAL INCOME		<u>481,148</u>	<u>470,951</u>
<u>LESS: EXPENSES</u>			
General fund	8	<u>569,030</u>	<u>501,224</u>
<u>Mission fund</u>			
Mission support		23,735	-
Mission trip		5,549	-
Others		494	-
		<u>29,778</u>	<u>-</u>
TOTAL EXPENSES		<u>598,808</u>	<u>501,224</u>
DEFICIT FOR THE YEAR		<u>(117,660)</u>	<u>(30,273)</u>
Attributable to:			
General fund		(142,056)	(30,273)
Mission fund		316	-
Building fund		24,080	-
		<u>(117,660)</u>	<u>(30,273)</u>

The accompany notes to the financial statements form an integral part of the financial statements.

ALIVE COMMUNITY CHURCH

STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>GENERAL FUND</u>	<u>MISSION FUND</u>	<u>BUILDING FUND</u>	<u>TOTAL</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at 1 January 2009	249,185	-	-	249,185
Deficit for the year	(30,273)	-	-	(30,273)
Balance at 31 December 2009	<u>218,912</u>	<u>-</u>	<u>-</u>	<u>218,912</u>
(Deficit) Surplus for the year	(142,056)	316	24,080	(117,660)
Balance at 31 December 2010	<u>76,856</u>	<u>316</u>	<u>24,080</u>	<u>101,252</u>

The accompany notes to the financial statements form an integral part of the financial statements.

ALIVE COMMUNITY CHURCH

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	<u>Note</u>	<u>2010</u>
		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year		(117,660)
Adjustment for:		
Depreciation of property, plant and equipment	6	3,949
Operating deficit before working capital changes		(113,711)
Decrease in other receivables		17,655
Increase in other payables		37,142
Net cash outflow from operating activities		<u>(58,914)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	6	(9,088)
Net cash outflow from investing activities		<u>(9,088)</u>
Net decrease in cash and cash equivalents		(68,002)
Cash and cash equivalents at beginning of year		140,924
Cash and cash equivalents at end of year	5	<u>72,922</u>

Cash flow statement for the year ended 31 December 2009 was not made available for disclosure.

The accompany notes to the financial statements form an integral part of the financial statements.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2010

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

1 GENERAL

Alive Community Church ("the Church") is registered under the Societies Act Cap. 311 and a Charity domiciled in Singapore (UEN: T03SS0128C). The registered office of the Church is located at 133 New Bridge Road #15-03 Chinatown Point Singapore 059413.

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.

The Church conducted its worship services at 231 Mountbatten Road #03-01 Block B Singapore 397999.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRSs) and on a historical cost convention, except as disclosed in the accounting policies below.

At the date of authorisation of these financial statements, the Church has not adopted the following FRSs that have been issued but not yet effective:

	<u>Effective for annual periods beginning on or after:</u>
<u>Improvements to FRSs issued in 2010:</u>	
- Amendments to FRS 1 - Presentation of Financial Statements	1 January 2011
- Amendments to FRS 107 - Financial Instruments: Disclosures	1 January 2011
FRS 24 - Related Party Disclosures	1 January 2011
FRS 19 - Employee Benefits	1 January 2013

The Church Committee expects that the adoption of the FRSs above will have no material impact on the financial statements in the period of initial application.

In the current financial year, the Church adopted all relevant, new or revised FRSs and Interpretations to FRS (INT FRS) that are effective in the current financial year. The adoption of these new and revised FRSs and INT FRS did not result in substantial changes to the Church's accounting policies nor any significant impact on these financial statements.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2010

(b) **Functional and presentation currency**

The Church Committee has determined the currency of the primary economic environment in which the Church operates to be Singapore Dollar ("the functional currency"). The financial statements are presented in Singapore Dollar which is the Church's functional currency.

(c) **Income recognition**

Income is recognised to the extent that it can be reliably measured and it is probable that the economic benefits will flow to the Church.

All income is recognised on a cash basis except for interest income which is recognised on a time proportion basis using effective interest method.

(d) **Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balance.

(e) **Employee benefits**

Defined contribution plan

The Church makes contributions to the state provident fund known as Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

(f) **Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost and are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on the straight line basis to write off the cost of property, plant and equipment over their estimated useful lives. The annual rates of depreciation are as follows:

Computers	- 100%
Office equipment	- 33 $\frac{1}{3}$ %
Furniture and fittings	- 33 $\frac{1}{3}$ %
Musical instrument	- 20%

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2010

(g) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise other receivables, cash and cash equivalents and other payables. Other receivables are with fixed or determinable payments that are not quoted in an active market.

A financial instrument is recognised if the Church becomes a party to the contractual provisions of the instrument. Non-derivative financial instruments are initially recognised at fair values plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Church commits itself to purchase or sell the assets.

Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using effective interest rate method less any impairment losses.

Financial assets are derecognised if the Church's contractual rights to the cash flows from the financial assets expire or if the Church transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of comprehensive income and expenditure.

Financial liabilities are derecognised if the Church's obligations specified in the contract expire or are discharged or cancelled. Gains and losses are recognised in the statement of comprehensive income and expenditure when the financial liabilities are derecognised, and through amortisation process.

(h) Impairment of non-financial assets

The carrying amounts of the Church's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss suffered. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Church estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2010

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) **Impairment of financial assets**

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income and expenditure.

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 been incurred, the Church considers factors such as the probability of insolvency or significant financial difficulties of the receivable 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 value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of comprehensive income and expenditure.

(j) **Government grants**

Job Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognised in the statement of comprehensive income and expenditure upon receipt.

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2010

3 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements in conformity with FRSs requires the Church Committee to exercise judgements and, the use of 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 the Church Committee's best knowledge of current events and actions, actual results may differ from those estimates.

However, the Church Committee is of the opinion that no judgements or key assumptions are expected to have a significant effect and material adjustment to the carrying amounts of assets, liabilities, income and expenses, and disclosure made, within the next financial year.

4 OTHER RECEIVABLES

	2010	2009
	\$	\$
Amount owing by a related party	62,882	14,382
Deposits	-	66,155
	<u>62,882</u>	<u>80,537</u>

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

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

	2010	2009
	\$	\$
Bank balance	72,922	140,812
Cash balance	-	112
	<u>72,922</u>	<u>140,924</u>

6 PROPERTY, PLANT AND EQUIPMENT

	AT 01.01.2010	ADDITIONS	DISPOSALS	AT 31.12.2010
	\$	\$	\$	\$
2010				
<u>COST</u>				
Computers	20,542	-	-	20,542
Office equipment	3,045	2,675	-	5,720
Furniture and fittings	4,317	6,413	-	10,730
Musical instrument	4,600	-	-	4,600
	<u>32,504</u>	<u>9,088</u>	<u>-</u>	<u>41,592</u>

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2010

	AT 01.01.2010	ADDITIONS	DISPOSALS	AT 31.12.2010
<u>ACCUMULATED DEPRECIATION</u>				
Computers	20,542	-	-	20,542
Office equipment	3,045	891	-	3,936
Furniture and fittings	4,317	2,138	-	6,455
Musical instrument	3,680	920	-	4,600
	<u>31,584</u>	<u>3,949</u>	<u>-</u>	<u>35,533</u>

	2010 \$
<u>NET CARRYING AMOUNT</u>	
Computers	-
Office equipment	1,784
Furniture and fittings	4,275
Musical instrument	-
	<u>6,059</u>

	AT 01.01.2009	ADDITIONS	DISPOSALS	AT 31.12.2009
2009 COST	\$	\$	\$	\$
Computers	16,873	3,669	-	20,542
Office equipment	3,045	-	-	3,045
Furniture and fittings	4,317	-	-	4,317
Musical instrument	4,600	-	-	4,600
	<u>28,835</u>	<u>3,669</u>	<u>-</u>	<u>32,504</u>

	AT 01.01.2009	ADDITIONS	DISPOSALS	AT 31.12.2009
<u>ACCUMULATED DEPRECIATION</u>				
Computers	16,873	3,669	-	20,542
Office equipment	3,045	-	-	3,045
Furniture and fittings	4,317	-	-	4,317
Musical instrument	2,760	920	-	3,680
	<u>26,995</u>	<u>4,589</u>	<u>-</u>	<u>31,584</u>

	2009 \$
<u>NET CARRYING AMOUNT</u>	
Computers	-
Office equipment	-
Furniture and fittings	-
Musical instrument	920
	<u>920</u>

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2010

7 OTHER PAYABLES

	2010	2009
	\$	\$
Other payable	289	-
Staff costs and benefits	13,173	2,119
Other operating costs	27,149	1,350
	<u>40,611</u>	<u>3,469</u>

8 GENERAL FUND EXPENSES

	2010	2009
	\$	\$
Manpower		
Staff salaries and related costs	96,279	65,206
Employer's CPF contribution for staff	10,960	24,769
Medical expenses	10	172
Staff insurance	499	341
Staff welfare	5,132	4,707
Property		
Upkeep and maintenance of premises	7,133	8,758
Other recurrent expenses		
Church expenses	2,178	2,313
Church insurance	442	-
Donations	180,000	178,661
Love offerings	-	5,000
Office expenses	2,683	-
Printing and stationery	2,034	2,348
Pastoral expenses	4,611	4,922
Purchase of books	35	-
Refreshments	8,942	7,967
Rental of premises	161,019	95,579
Resource library	354	621
Speakers expenses	22,321	24,446
Telecommunication expenses	3,862	5,345
Travelling expenses	3,024	142
Utilities	9,071	1,562
Special projects		
Mission support	-	31,505
Social concerns	4,370	3,840
Sunday school	4,149	5,434
Miscellaneous		
Auditor's remuneration	2,300	1,500
Bank charges	203	242
Depreciation of property, plant and equipment (Note 6)	3,949	4,589
Deficit from self-financing activities (Note 9)	23,296	8,335
General expenses	4	576
Gifts	742	111
Ministry expenses (Note 10)	6,420	10,459
Publicity and decorations	2,701	90
Stamp duty	307	1,684
	<u>569,030</u>	<u>501,224</u>

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2010

9 DEFICIT FROM SELF-FINANCING ACTIVITIES

	<u>2010</u>	<u>2009</u>
	\$	\$
Expenditure	43,534	23,091
Less: Receipts	(20,238)	(14,756)
Deficit	<u>23,296</u>	<u>8,335</u>

10 MINISTRY EXPENSES

	<u>2010</u>	<u>2009</u>
	\$	\$
Cell ministry	596	537
Leaders	444	294
Prayer ministry	235	-
Sound and video ministry	412	100
Treasury department	37	387
Worship and music ministry	1,557	7,317
Youth ministry	3,139	1,824
	<u>6,420</u>	<u>10,459</u>

11 INCOME TAX

The Church is a registered Charity under the Charities Act, 1994 and will be exempted from income tax subject to compliance with the Income Tax Act Cap. 134.

12 RELATED PARTY TRANSACTIONS

Significant related party transactions during the financial year at mutually agreed amounts are as follows:

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>With a related party</u>		
Donations	180,000	178,661

13 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Church Committee passed on 1 November 2011.