

ALIVE COMMUNITY CHURCH
(UEN: T03SS0128C)

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2011

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 16 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 2011 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 4 May 2012.

On behalf of the Church Committee



MATHEW MATHEWS
President



VICTOR CHEW BAN CHUAN
Treasurer

4 May 2012

**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 2011, 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 information.

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 risk 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 2011, and of its results, changes in funds and cash flows of the Church for the year then ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Church has been properly kept in accordance with the provisions of the Act.



GABRIEL NG & CO
Public Accountants and
Certified Public Accountants

Singapore
4 May 2012

ALIVE COMMUNITY CHURCH

BALANCE SHEET AS AT 31 DECEMBER 2011

	<u>Note</u>	<u>2011</u> \$	<u>2010</u> \$
ASSETS			
Current assets			
Other receivables	4	62,882	62,882
Cash and cash equivalents		117,492	72,922
		<u>180,374</u>	<u>135,804</u>
Non-current assets			
Property, plant and equipment	5	4,629	6,059
Total assets		<u>185,003</u>	<u>141,863</u>
LIABILITIES			
Current liabilities			
Other payables	6	55,993	40,611
NET ASSETS		<u>129,010</u>	<u>101,252</u>
Represented by:			
FUNDS			
General fund		104,382	76,856
Mission fund		548	316
Building fund		24,080	24,080
TOTAL FUNDS		<u>129,010</u>	<u>101,252</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 2011

	<u>Note</u>	<u>2011</u> \$	<u>2010</u> \$
INCOME			
<u>General fund</u>			
Tithes, offerings and pledges		475,812	402,886
Sales of books		340	626
Donations received		3,648	3,671
Interest received		59	86
Jobs credit grant from government		-	1,497
Special offerings		10,572	17,242
Other income		2,181	966
		<u>492,612</u>	<u>426,974</u>
<u>Mission fund</u>			
Offerings and pledges		<u>47,173</u>	<u>30,094</u>
<u>Building fund</u>			
Offerings and pledges		<u>-</u>	<u>24,080</u>
TOTAL INCOME		<u>539,785</u>	<u>481,148</u>
LESS: EXPENSES			
General fund	7	<u>465,086</u>	<u>569,030</u>
<u>Mission fund</u>			
Mission support		44,207	23,735
Mission trip		2,628	5,549
Others		106	494
		<u>46,941</u>	<u>29,778</u>
TOTAL EXPENSES		<u>512,027</u>	<u>598,808</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>27,758</u>	<u>(117,660)</u>
Attributable to:			
General fund		27,526	(142,056)
Mission fund		232	316
Building fund		-	24,080
		<u>27,758</u>	<u>(117,660)</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 2011

	<u>GENERAL FUND</u>	<u>MISSION FUND</u>	<u>BUILDING FUND</u>	<u>TOTAL</u>
	\$	\$	\$	\$
Balance at 1 January 2010	218,912	-	-	218,912
(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>
Surplus for the year	27,526	232	-	27,758
Balance at 31 December 2011	<u>104,382</u>	<u>548</u>	<u>24,080</u>	<u>129,010</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 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the year		27,758	(117,660)
Adjustment for:			
Depreciation of property, plant and equipment	5	6,857	3,949
Operating surplus/(deficit) before working capital changes		34,615	(113,711)
Decrease in other receivables		-	17,655
Increase in other payables		15,382	37,142
Net cash inflow/(outflow) from operating activities		<u>49,997</u>	<u>(58,914)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(5,427)	(9,088)
Net cash outflow from investing activities		<u>(5,427)</u>	<u>(9,088)</u>
Net increase/(decrease) in cash and cash equivalents		44,570	(68,002)
Cash and cash equivalents at beginning of year		72,922	140,924
Cash and cash equivalents at end of year		<u>117,492</u>	<u>72,922</u>

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 2011

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>
Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 19 - Employee Benefits	1 January 2013
FRS 113 – Fair Value Measurements	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 have any significant impact on these financial statements.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2011

(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 and income from sales of books is recognised when goods are collected by customers and when significant risks and rewards of ownership have been transferred to the customers.

(d) **Cash and cash equivalents**

Cash and cash equivalents comprise bank balance only.

(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 1/3%
Furniture and fittings	- 33 1/3%
Musical instruments	- 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 2011

(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 2011

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.

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2011

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

	<u>2011</u>	<u>2010</u>
	\$	\$
Amount owing by a related party	62,882	62,882

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

5 PROPERTY, PLANT AND EQUIPMENT

	AT 01.01.2011	ADDITIONS	DISPOSALS	AT 31.12.2011
	\$	\$	\$	\$
2011				
<u>COST</u>				
Computers	20,542	3,427	-	23,969
Office equipment	5,720	-	-	5,720
Furniture and fittings	10,730	-	-	10,730
Musical instruments	4,600	2,000	-	6,600
	<u>41,592</u>	<u>5,427</u>	<u>-</u>	<u>47,019</u>
<u>ACCUMULATED DEPRECIATION</u>				
Computers	20,542	3,427	-	23,969
Office equipment	3,936	892	-	4,828
Furniture and fittings	6,455	2,138	-	8,593
Musical instruments	4,600	400	-	5,000
	<u>35,533</u>	<u>6,857</u>	<u>-</u>	<u>42,390</u>

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2011

	<u>2011</u>
<u>NET CARRYING AMOUNT</u>	\$
Computers	-
Office equipment	892
Furniture and fittings	2,137
Musical instruments	1,600
	<u>4,629</u>

	AT 01.01.2010	ADDITIONS	DISPOSALS	AT 31.12.2010
	\$	\$	\$	\$
<u>2010</u>				
<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 instruments	4,600	-	-	4,600
	<u>32,504</u>	<u>9,088</u>	<u>-</u>	<u>41,592</u>

	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 instruments	3,680	920	-	4,600
	<u>31,584</u>	<u>3,949</u>	<u>-</u>	<u>35,533</u>

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

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2011

6 OTHER PAYABLES

	2011	2010
	\$	\$
Other payable	871	289
Staff costs and benefits	5,222	13,173
Other operating costs	49,900	27,149
	<u>55,993</u>	<u>40,611</u>

7 GENERAL FUND EXPENSES

	2011	2010
	\$	\$
Manpower		
Staff salaries and related costs	72,638	96,279
Employer's CPF contribution for staff	8,288	10,960
Medical expenses	80	10
Staff insurance	759	499
Staff welfare	16,526	5,132
Property		
Upkeep and maintenance of premises	5,267	7,133
Other recurrent expenses		
Church expenses	4,461	2,178
Church insurance	-	442
Donations	180,000	180,000
Office expenses	1,234	2,683
Printing and stationery	1,917	2,034
Pastoral expenses	12,849	4,611
Purchase of books	94	35
Refreshments	9,971	8,942
Rental of premises	43,500	161,019
Resource library	113	354
Speakers expenses	43,974	22,321
Telecommunication expenses	4,236	3,862
Travelling expenses	455	3,024
Utilities	1,551	9,071
Special projects		
Social concerns	-	4,370
Miscellaneous		
Auditor's remuneration	2,300	2,300
Bank charges	227	203
Depreciation of property, plant and equipment (Note 5)	6,857	3,949
Deficit from self-financing activities (Note 8)	23,757	23,296
General expenses	5	4
Gifts	573	742
Ministry expenses (Note 9)	23,070	10,569
Publicity and decorations	354	2,701
Stamp duty	30	307
	<u>465,086</u>	<u>569,030</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2011

8 DEFICIT FROM SELF-FINANCING ACTIVITIES

	<u>2011</u>	<u>2010</u>
	\$	\$
Expenditure	42,740	43,534
Less: Receipts	(18,983)	(20,238)
Deficit	<u>23,757</u>	<u>23,296</u>

9 MINISTRY EXPENSES

	<u>2011</u>	<u>2010</u>
	\$	\$
Cell ministry	549	596
Leaders ministry	131	444
Prayer ministry	197	235
Sound and video ministry	1,358	412
Sunday school	7,159	4,149
Treasury department	366	37
Worship and music ministry	1,325	1,557
Youth ministry	11,985	3,139
	<u>23,070</u>	<u>10,569</u>

10 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.

11 RELATED PARTY TRANSACTIONS

Significant related party transaction during the financial year at mutually agreed amount refers to donations given to a related party amounting to \$180,000 (2010: \$180,000).

12 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Church Committee passed on 4 May 2012.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2011

13 CAPITAL MANAGEMENT

The primary objective of the Church's capital management is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Church's principal and related activities, and ensuring long-term financial sustainability. The Church's overall strategy remains unchanged with prior year's strategy.

14 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.

15 FINANCIAL INSTRUMENTS

Risk management

The main risk arising from the Church's financial instruments is liquidity risk. In the management of liquidity risk, the Church monitors and maintains a level of cash and bank balances deemed adequate to finance the Church's operations and mitigate the effects of fluctuations in cash flows.

The major class of financial liabilities of the Church is other payables amounting to \$55,993 (2010: \$40,611) which is expected to mature within 1 year.

Sensitivity analysis

The operation of the Church does not expose itself to any market risk. In view of this, sensitivity analysis of market risk is not applicable to the Church.

Fair value

The carrying amounts of current financial assets and current financial liabilities recorded in the financial statements approximate their respective net fair values due to the relatively short-term maturity of these financial instruments.