

ALIVE COMMUNITY CHURCH
(UEN: T03SS0128C)

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2012

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 18 are drawn up in accordance with the provisions of the Singapore Societies Act, Cap. 311 and the Singapore Charities Act, Cap.37 (collectively herein known as the "Acts") 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 2012 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 30 April 2013.

On behalf of the Church Committee



MATHEW MATHEWS
President



VICTOR CHEW BAN CHUAN
Treasurer

30 April 2013

Gabriel Ng & Co

Certified Public Accountants
(Regn No. S95PF0533E)

213 Henderson Road
#02-01
Singapore 159553
Tel: (65) 6221 9968
Fax: (65) 6275 8273

黃木味會計公司

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 2012, 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

Church Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Societies Act, Cap. 311 and the Singapore Charities Act, Cap.37 (collectively herein known as the "Acts") 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 Acts 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 2012, 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 Acts to be kept by the Church has been properly kept in accordance with the provisions of the Acts.



GABRIEL NG & CO
Public Accountants and
Certified Public Accountants

Singapore
30 April 2013

ALIVE COMMUNITY CHURCH

BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 \$	2011 \$
ASSETS			
Current assets			
Other receivables	4	93,824	62,882
Cash and cash equivalents		101,598	117,492
		<u>195,422</u>	<u>180,374</u>
Non-current assets			
Property, plant and equipment	5	98,135	4,629
		<u>98,135</u>	<u>4,629</u>
Total assets		<u>293,557</u>	<u>185,003</u>
LIABILITIES			
Current liabilities			
Other payables	6	74,537	55,993
		<u>74,537</u>	<u>55,993</u>
NET ASSETS		<u>219,020</u>	<u>129,010</u>
Represented by:			
FUNDS			
Unrestricted fund			
Unrestricted income fund			
General fund		172,036	104,382
		<u>172,036</u>	<u>104,382</u>
Restricted funds			
Restricted income funds			
Mission fund		4,504	548
Building fund		27,480	24,080
Annie C Ling ESD fund		15,000	-
		<u>46,984</u>	<u>24,628</u>
Total restricted funds		<u>46,984</u>	<u>24,628</u>
TOTAL FUNDS		<u>219,020</u>	<u>129,010</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 2012

	<u>Note</u>	<u>2012</u>	<u>2011</u>
		\$	\$
<u>INCOME</u>			
<i>Unrestricted fund</i>			
<i>General fund</i>			
Tithes, offerings and pledges		556,337	475,812
Sales of books, drinks and etc		1,340	340
Donations received		2,205	3,648
Interest received		73	59
Special offerings		33,995	10,572
Other income		5	2,181
		<u>593,955</u>	<u>492,612</u>
<i>Restricted funds</i>			
<i>Mission fund</i>			
Offerings and pledges		<u>34,893</u>	<u>47,173</u>
<i>Building fund</i>			
Offerings and pledges		<u>3,400</u>	<u>-</u>
<i>Annie C Ling ESD Fund</i>			
Donation received		<u>15,000</u>	<u>-</u>
TOTAL INCOME		<u>647,248</u>	<u>539,785</u>
<u>LESS: EXPENSES</u>			
<i>Unrestricted fund</i>			
General fund	7	<u>526,301</u>	<u>465,086</u>
<i>Restricted funds</i>			
<i>Mission fund</i>			
Mission support		23,452	44,207
Mission trip		7,409	2,628
Others		76	106
		<u>30,937</u>	<u>46,941</u>
TOTAL EXPENSES		<u>557,238</u>	<u>512,027</u>
SURPLUS FOR THE YEAR		<u>90,010</u>	<u>27,758</u>
Attributable to:			
General fund		67,654	27,528
Mission fund		3,956	232
Building fund		3,400	-
Annie C Ling ESD fund		15,000	-
		<u>90,010</u>	<u>27,758</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 2012

	<i>Unrestricted fund</i>	<i>Restricted funds</i>			<i>TOTAL</i> \$
	GENERAL FUND \$	MISSION FUND \$	BUILDING FUND \$	ANNIE C LING ESD FUND \$	
Balance at 1 January 2011	76,856	316	24,080	-	101,252
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>-</u>	<u>129,010</u>
Surplus for the year	67,654	3,956	3,400	15,000	90,010
Balance at 31 December 2012	<u>172,036</u>	<u>4,504</u>	<u>27,480</u>	<u>15,000</u>	<u>219,020</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 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		90,010	27,758
Adjustment for:			
Depreciation of property, plant and equipment	5	8,544	6,857
Operating surplus before working capital changes		98,554	34,615
Increase in deposits		(40,117)	-
Increase in other payables		18,544	15,382
Net cash inflow from operating activities		<u>76,981</u>	<u>49,997</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(102,050)	(5,427)
Net cash outflow from investing activities		<u>(102,050)</u>	<u>(5,427)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan by a related party		9,175	-
Net cash inflow from investing activities		<u>9,175</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(15,894)	44,570
Cash and cash equivalents at beginning of year		<u>117,492</u>	<u>72,922</u>
Cash and cash equivalents at end of year		<u>101,598</u>	<u>117,492</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 2012

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 10 Arumugam Road #04-00 Lion Building A Singapore 409957.

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 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
 <u>Improvements to FRSs issued in 2012:</u>	
Amendments to FRS 1 – Presentation of Financial Statements	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 FRSs (INT FRSs) that are effective in the current financial year. The adoption of these new and revised FRSs and INT FRSs did not result in substantial changes to the Church's accounting policies nor have any significant impact on these financial statements.

(b) Cash and cash equivalents

Cash and cash equivalents comprise bank balance only.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

(c) **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.

(d) **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, drinks and etc is recognised when goods are collected by customers and when significant risks and rewards of ownership have been transferred to the customers.

(e) **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.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

(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 instruments	-	20%
Renovation	-	33 $\frac{1}{3}$ %

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

(g) 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.

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.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

(h) 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.

(i) 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.

(j) Funds

Unrestricted funds are available for use at the discretion of the Church's Committee in furtherance of the general objectives of the Church.

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

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

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

(k) Related parties

A related party is defined as follows:

- (1) 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.
- (2) 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 person identified in (1);
 - (vii) A person identified in (1)(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).

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.

The estimates, judgements and assumptions which may 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:

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

Amount owing by a related party

Significant judgement by the Church Committee is applied when assessing the recoverability of amount of \$63,707 (2011: \$62,882) owing by a related party. If the financial conditions of the related party were to deteriorate, resulting in an impairment of their ability to make payments, allowances for impairment may be required.

4 OTHER RECEIVABLES

	2012	2011
	\$	\$
Amount owing by a related party	53,707	62,882
Deposits	40,117	-
	<u>93,824</u>	<u>62,882</u>

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

5 PROPERTY, PLANT AND EQUIPMENT

	AT 01.01.2012	ADDITIONS	DISPOSALS	AT 31.12.2012
	\$	\$	\$	\$
<u>2012</u>				
<u>COST</u>				
Computers	23,969	4,173	-	28,142
Office equipment	5,720	37,690	-	43,410
Furniture and fittings	10,730	-	-	10,730
Musical instruments	6,600	2,547	-	9,147
Renovation	-	57,640	-	57,640
	<u>47,019</u>	<u>102,050</u>	<u>-</u>	<u>149,069</u>
 <u>ACCUMULATED DEPRECIATION</u>				
Computers	23,969	4,173	-	28,142
Office equipment	4,828	1,325	-	6,153
Furniture and fittings	8,593	2,137	-	10,730
Musical instruments	5,000	909	-	5,909
	<u>42,390</u>	<u>8,544</u>	<u>-</u>	<u>50,934</u>

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

<u>NET CARRYING AMOUNT</u>	<u>2012</u>
	\$
Computers	-
Office equipment	37,257
Furniture and fittings	-
Musical instruments	3,238
Renovation	57,640
	<u>98,135</u>

<u>2011 COST</u>	<u>AT 01.01.2011</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>AT 31.12.2011</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>	<u>AT 01.01.2011</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>AT 31.12.2011</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>

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

6 OTHER PAYABLES

	<u>2012</u>	<u>2011</u>
	\$	\$
Other payable	777	871
Staff costs and benefits	16,263	5,222
Other operating costs	57,497	49,900
	<u>74,537</u>	<u>55,993</u>

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

7 GENERAL FUND EXPENSES

	2012	2011
	\$	\$
Manpower		
Staff salaries and related costs	124,389	72,638
Employer's CPF contribution for staff	16,530	8,288
Staff training and development	5,303	11,727
Other staff benefits	4,078	5,638
Property		
Non-capitalised property, plant & equipment	1,034	-
Upkeep and maintenance of premises	6,268	5,267
Other recurrent expenses		
Church expenses	4,415	4,461
Courier and postages	667	-
Donations	208,375	180,000
Office expenses	1,372	1,234
Printing and stationery	1,678	1,917
Pastoral expenses	10,345	12,849
Purchase of books	831	94
Refreshments	4,974	9,971
Rental of premises	-	43,500
Resource library	120	113
Speakers expenses	66,016	43,974
Telecommunication expenses	2,160	4,236
Travelling expenses	544	455
Utilities	-	1,551
Special projects		
Social concerns	1,400	-
Miscellaneous		
Auditor's remuneration	2,700	2,300
Accountancy fee	200	-
Bank charges	243	227
Depreciation of property, plant and equipment (Note 5)	8,544	6,857
Church camp (Note 8)	33,635	23,757
General expenses	105	5
Gifts	810	573
Ministry expenses (Note 9)	19,483	23,070
Publicity and decorations	82	354
Stamp duty	-	30
	526,301	465,086

8 CHURCH CAMP

	2012	2011
	\$	\$
Expenditure	58,168	42,740
Less: Receipts	(24,533)	(18,983)
Deficit	33,635	23,757

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

9 MINISTRY EXPENSES

	2012	2011
	\$	\$
Cell ministry	1,379	549
Chinese ministry	196	-
Leaders ministry	377	131
Prayer ministry	80	197
Sound and video ministry	349	1,358
Sunday school ministry	6,261	7,159
Treasury department	878	366
Worship and music ministry	2,266	1,325
Youth/sports ministry	7,697	11,985
	<u>19,483</u>	<u>23,070</u>

10 INCOME TAX

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

11 RELATED PARTY TRANSACTIONS

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

	2012	2011
	\$	\$
<u>With a related party</u>		
Donations	206,000	180,000
<u>With an immediate family member of a key management personnel</u>		
Pastoral expenses – love offering	7,800	3,600

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

12 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.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

13 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Church Committee passed on 30 April 2013.

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 and renovation of the Church's premises.

Annie C Ling education & social development (ESD) fund was established in commemoration of Annie C Ling and the fund will be used to provide financial assistance to students for educational and character development purposes.

15 FINANCIAL INSTRUMENTS

Risk management

The main risks arising from the Centre's financial instruments are credit risk and liquidity risk. The Church's risk management seeks to minimise the potential adverse effects from these exposures. The Church reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Church. The major classes of financial assets of the Church are amounts owing by a related party and bank balances. The Church policy has been to regularly monitor the related party balance on an ongoing basis to reduce the Church's exposure to bad debts. For bank balances, the Church ensured that they are placed with reputable financial institutions with no history of default.

(i) Financial assets that are neither past due nor impaired

There are no financial assets that are neither past due nor impaired.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for the amount owing by a related party.

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.

ALIVE COMMUNITY CHURCH

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

The major class of financial liabilities of the Church is other payables amounting to \$74,537 (2011: \$55,993) 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.