

ALIVE COMMUNITY CHURCH

[UEN. T03SS0128C]

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

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020**

CONTENTS

Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

Fiducia LLP

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements of Alive Community Church (the "Church") are drawn up so as to present fairly, in all material respects, the state of affairs of the Church as at 31 December 2020 and of the results, changes in funds and cash flows of the Church for the financial year then ended.

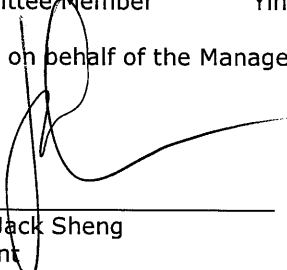
At the date of this statement, there are reasonable grounds to believe that the Church will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on


13 JUN 2021

President	Chong Jack Sheng	
Vice President	Wong Wai Hoe	
Secretary	Chang Chew Wai	
Treasurer	Peck Chai Hoon	
Assistant Treasurer	Phua Meng Chon Louis	
Committee Member	Lim Poh Lin Aileen	
Committee Member	Sandra Henrietta Subner	(Resigned on 15 August 2020)
Committee Member	Lai Sock Hwang	
Committee Member	Chan Tak Chee	
Committee Member	Tan Say Yam Josiah	
Committee Member	Yin Kah Ho James	(Appointed on 20 September 2020)

For and on behalf of the Management Committee,



Chong Jack Sheng
President



Peck Chai Hoon
Treasurer

Singapore, **13 JUN 2021**

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Independent auditor's report to the members of:

ALIVE COMMUNITY CHURCH

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alive Community Church (the "Church"), which comprise the statement of financial position as at 31 December 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Church as at 31 December 2020 and the results, changes in funds and cash flows of the Church for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Church in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee (set out on page 2), but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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(CONT'D)

Independent auditor's report to the members of:

ALIVE COMMUNITY CHURCH

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

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

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

Those charged with governance are responsible for overseeing the Church's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, **13 JUN 2021**

Partner-in-charge: Gan Chek Huat
PAB No.: 01939

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2020

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020		2019		
		Unrestricted fund S\$	Restricted funds S\$	Unrestricted fund S\$	Restricted funds S\$	Total funds S\$
INCOME						
Income from generating funds	4	842,765	98,545	925,817	137,033	1,062,850
Income from charitable activities	4	6,108	0	69,347	0	69,347
Other income	4	159,983	0	5,540	0	5,540
Total income		<u>1,008,856</u>	<u>98,545</u>	<u>1,000,704</u>	<u>137,033</u>	<u>1,137,737</u>
EXPENDITURE						
Costs of charitable activities	5	426,363	95,315	510,688	79,117	589,805
Governance and other administrative costs	5	297,168	0	368,025	0	368,025
Total expenditure		<u>723,531</u>	<u>95,315</u>	<u>878,713</u>	<u>79,117</u>	<u>957,830</u>
NET INCOME		<u>285,325</u>	<u>3,230</u>	<u>121,991</u>	<u>57,916</u>	<u>179,907</u>
FUNDS BROUGHT FORWARD		<u>789,719</u>	<u>87,396</u>	<u>667,728</u>	<u>29,480</u>	<u>697,208</u>
FUNDS CARRIED FORWARD		<u>1,075,044</u>	<u>90,626</u>	<u>789,719</u>	<u>87,396</u>	<u>877,115</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 S\$	2019 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,048,487	787,221
Fixed deposits	9	125,000	125,000
Other receivables	10	12,303	2,922
		<u>1,185,790</u>	<u>915,143</u>
Non-current assets			
Plant and equipment	11	648,487	14,394
		<u>648,487</u>	<u>14,394</u>
Total assets		<u>1,834,277</u>	<u>929,537</u>
LIABILITIES			
Current liabilities			
Other payables and accruals	12	71,953	52,422
Lease liabilities	13	178,677	0
		<u>250,630</u>	<u>52,422</u>
Non-current liabilities			
Lease liabilities	13	417,976	0
		<u>417,976</u>	<u>0</u>
Total liabilities		<u>668,606</u>	<u>52,422</u>
NET ASSETS		<u>1,165,670</u>	<u>877,115</u>
FUNDS			
Unrestricted fund			
Accumulated general fund	14	1,075,044	789,719
		<u>1,075,044</u>	<u>789,719</u>
Restricted funds			
Mission fund	14	71,371	47,452
Building fund	14	2,699	2,699
Annie C Ling ESD fund	14	7,176	9,085
Youth Outreach fund	14	9,380	28,160
		<u>90,626</u>	<u>87,396</u>
TOTAL FUNDS		<u>1,165,670</u>	<u>877,115</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Balance at end of financial year S\$
2020			
Unrestricted fund			
Accumulated general fund	<u>789,719</u>	<u>285,325</u>	<u>1,075,044</u>
Restricted funds			
Mission fund	47,452	23,919	71,371
Building fund	2,699	0	2,699
Annie C Ling ESD fund	9,085	(1,909)	7,176
Youth Outreach fund	<u>28,160</u>	<u>(18,780)</u>	<u>9,380</u>
	<u>87,396</u>	<u>3,230</u>	<u>90,626</u>
	<u>877,115</u>	<u>288,555</u>	<u>1,165,670</u>
2019			
Unrestricted fund			
Accumulated general fund	<u>667,728</u>	<u>121,991</u>	<u>789,719</u>
Restricted funds			
Mission fund	18,496	28,956	47,452
Building fund	2,699	0	2,699
Annie C Ling ESD fund	8,285	800	9,085
Youth Outreach fund	<u>0</u>	<u>28,160</u>	<u>28,160</u>
	<u>29,480</u>	<u>57,916</u>	<u>87,396</u>
	<u>697,208</u>	<u>179,907</u>	<u>877,115</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Net income for the year		288,555	179,907
Adjustments for:			
- Depreciation	11	112,912	6,264
- Interest income	4	(1,002)	(999)
- Interest expense on lease liabilities	5	679	0
Operating cash flow before changes in working capital		<u>401,144</u>	<u>185,172</u>
Changes in working capital			
- Other receivables		(9,381)	1,446
- Other payables and accruals		19,532	(2,952)
Net cash generated from operating activities		<u>411,295</u>	<u>183,666</u>
Cash flows from investing activities			
Purchase of plant and equipment	11	(8,057)	(7,586)
Interest received		1,002	999
Net cash used in investing activities		<u>(7,055)</u>	<u>(6,587)</u>
Cash flows from financing activities			
Placement of fixed deposit		0	(75,000)
Payment of principal portion of lease liabilities		(142,295)	0
Interest paid		(679)	0
Net cash used in financing activities		<u>(142,974)</u>	<u>(75,000)</u>
Net increase in cash and cash equivalents		261,266	102,079
Cash and cash equivalents at beginning of financial year		<u>787,221</u>	<u>685,142</u>
Cash and cash equivalents at end of financial year	8	<u>1,048,487</u>	<u>787,221</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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's registered address is located at 133 New Bridge Road, #13-10 Chinatown Point, Singapore 059413 and its principal place of activities is at 291 New Bridge Road, #02-10 Oriental Plaza, Singapore 088756.

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

The financial statements are presented in Singapore Dollar ("S\$"), which is the Church's functional currency. Functional currency is the currency of the primary economic environment in which the Church operates. All financial information presented are denominated in S\$ unless otherwise stated.

The preparation of these financial statements in conformity with FRSs 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 judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

2.1.1 Interpretations and amendments to published standards effective in 2020

In the current financial year, the Church adopted the new or amended FRSs and Interpretations to FRSs ("INT FRSs") that are mandatory for application for the financial year. Changes to the Church's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

Except for the adoption of amendments to FRS 116 Leases as described below, the adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Church's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2020 (Cont'd)

Early adoption of Amendment to FRS 116: Covid-19-Related Rent Concessions

The Church has elected to early adopt the amendments to FRS 116 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Church has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S\$76,042 was recognised as negative variable lease payments in the statement of financial activities during the year.

2.1.2 Standards issued but not yet effective

The Church has not adopted the following standards applicable to the Church that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.2 Income recognition

Income is measured based on the consideration to which the Church expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Church satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

Income is recognised as follows:

2.2.1 Donations, tithes and offerings

Donations, tithes and offerings are recognised at a point in time upon receipt.

2.2.2 Church camp fee

Revenue from church camp is recognised when the services have been performed and rendered (i.e. at a point in time).

2.2.3 Sale of books, drinks and etc

Revenue from the sale of books, drinks, etc is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied (i.e. at a point in time).

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 when received.

2.3 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Church will comply with all attached conditions. Government grants, relating to cost, are deferred and recognised over the period necessary to match them with the costs they are intended to compensate.

2.4 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.

2.4.1 Cost of charitable activities

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

2.4.2 Governance and other 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)

2.5 Employee compensation

2.5.1 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.

2.5.2 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.6 Leases

As a lessee

At the inception of the contract, the Church assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Church applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Church recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

2.6.1 Right-of-use assets

The Church recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

This right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If ownership of the leased asset transfers to the Church at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8. The Church's right-of-use assets are presented within plant and equipment as disclosed in Note 11.

2. Significant accounting policies (Cont'd)

2.6 Leases (Cont'd)

As a lessee (Cont'd)

2.6.2 Lease liabilities

At the commencement date of the lease, the Church recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Church and payments of penalties for terminating the lease, if the lease term reflects the Church exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Church uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Church's lease liabilities are disclosed in Note 13.

The Church has adopted the Amendment to FRS 116: Covid-19-Related Rent Concessions. The Church applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Church applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Church chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Church assesses whether there is a lease modification.

2.6.3 Short-term leases and leases of low-value assets

The Church applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. Significant accounting policies (Cont'd)

2.7 Plant and equipment

2.7.1 Measurement

All 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 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.

2.7.2 Depreciation

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

	<u>Useful life</u>
Computers	1 year
Office equipment	3 years
Furniture and fittings	3 years
Music instruments	5 years
Right-of-use assets	Over the remaining lease term

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values and useful lives of 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.

2.7.3 Subsequent expenditure

Subsequent expenditure relating to 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.

2.7.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.8 Impairment of non-financial assets

Non-financial assets 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 of disposal 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.

2.9 Financial assets

2.9.1 Classification and measurement

The Church classifies its financial assets into amortised cost measurement category.

The classification depends on the Church's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Church reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Church measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of financial activities.

At subsequent measurement

Debt instruments of the Church mainly comprise of cash and cash equivalents and other receivables.

There are three prescribed subsequent measurement categories, depending on the Church's business model in managing the assets and the cash flow characteristic of the assets. The Church managed these group of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

2. Significant accounting policies (Cont'd)

2.9 Financial assets (Cont'd)

2.9.2 Impairment

The Church assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.9.3 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Church commits to purchase or sell the asset.

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.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in statement of financial activities.

2.10 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.

2.11 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 are "Other payables and accruals" and "Lease liabilities" in the statement of financial position.

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

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

2. Significant accounting policies (Cont'd)

2.12 Other payables and accruals

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.13 Foreign currencies

Transactions in a currency other than Singapore Dollar are translated into Singapore Dollar ("S\$") using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the statement of financial activities. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.14 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.

2.15 Events after the reporting date

Post year-end events that provide additional information about the Church's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements 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

At the reporting date, there were no critical accounting estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgements in applying the entity's accounting policies

In the process of applying the Church's accounting policies, the management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Church will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Church if the conditions are not met.

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2020

4. Income

	Unrestricted fund accumulated general fund S\$	Restricted funds				Total restricted funds S\$	Total funds S\$
		Mission fund S\$	Building fund S\$	Annie C Ling ESD fund S\$	Youth Outreach fund S\$		
2020							
Income from generating funds							
Voluntary income	842,765	98,545	0	0	0	98,545	941,310
- Tithes, offerings and pledges							
Income from charitable activities							
Church visitors	6,108	0	0	0	0	0	6,108
Other income							
Interest income	1,002	0	0	0	0	0	1,002
Government grants							
- Jobs support scheme	61,028	0	0	0	0	0	61,028
- Others	1,998	0	0	0	0	0	1,998
COVID-19 related rent concessions *	76,042	0	0	0	0	0	76,042
Secondment fee	19,845	0	0	0	0	0	19,845
Miscellaneous income	68	0	0	0	0	0	68
	159,983	0	0	0	0	0	159,983
Total income	1,008,856	98,545	0	0	0	98,545	1,107,401

* COVID-19 related rent concessions received from lessor of S\$76,042 to which the Church applied practical expedient as disclosed in Note 2.1.

4. Income (Cont'd)

	Unrestricted fund accumulated general fund S\$	Restricted funds				Total restricted funds S\$	Total funds S\$
		Mission fund S\$	Building fund S\$	Annie C Ling ESP fund S\$	Youth Outreach fund S\$		
2019							
Income from generating funds							
Voluntary income	925,817	86,233	0	800	50,000	137,033	1,062,850
- Tithes, offerings and pledges							
Income from charitable activities							
Church camp fees	27,105	0	0	0	0	0	27,105
Youth camp fees	2,060	0	0	0	0	0	2,060
Sales of book, drinks and others	8,721	0	0	0	0	0	8,721
Church visitors	31,461	0	0	0	0	0	31,461
	69,347	0	0	0	0	0	69,347
Other income							
Interest income	999	0	0	0	0	0	999
Wage credit scheme	4,541	0	0	0	0	0	4,541
	5,540	0	0	0	0	0	5,540
Total income	<u>1,000,704</u>	<u>86,233</u>	<u>0</u>	<u>800</u>	<u>50,000</u>	<u>137,033</u>	<u>1,137,737</u>

There are no contract liabilities balances.

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2020

5. Expenditure

	Unrestricted fund Accumulated general fund S\$	Restricted funds				Total restricted funds S\$	Total funds S\$
		Mission fund S\$	Building fund S\$	Annie C Ling ESD fund S\$	Youth Outreach fund S\$		
2020							
Cost of charitable activities							
Church expenses	6,623	0	0	0	0	6,623	6,623
CPF contributions	45,374	0	0	0	0	45,374	45,374
Donations	104,820	0	0	0	0	104,820	104,820
Gifts	3,553	0	0	0	0	3,553	3,553
Pastoral expenses	5,192	0	0	0	0	5,192	5,192
Bible study expenses	905	0	0	0	0	905	905
Salaries, allowances and bonuses	250,619	12,160	0	0	18,780	281,559	281,559
Staff welfare	4,922	0	0	0	0	4,922	4,922
Social concerns	450	0	0	0	0	450	450
Church visitors	3,281	0	0	0	0	3,281	3,281
Mission support	0	62,467	0	0	0	62,467	62,467
ACL support	0	0	0	0	0	0	0
Others	624	0	0	1,908	0	1,908	1,908
	426,363	74,627	0	1,908	18,780	95,315	521,678

5. Expenditure (Cont'd)

	Note	Unrestricted fund accumulated general fund S\$	Restricted funds				Total restricted funds S\$	Total funds S\$
			Mission fund S\$	Building fund S\$	Annie C Ling ESD fund S\$	Youth Outreach fund S\$		
2020 (Cont'd)								
Governance and other administrative costs								
Audit fee		5,000	0	0	0	0	5,000	
Bank charges		501	0	0	0	0	501	
Depreciation	11	112,912	0	0	0	0	112,912	
Insurance		6,560	0	0	0	0	6,560	
Interest expense on lease liability		679	0	0	0	0	679	
Operating lease expense – Church premises		142,974	0	0	0	0	142,974	
Ministry expenses	6	9,260	0	0	0	0	9,260	
Office expenses		206	0	0	0	0	206	
Postage and courier		2	0	0	0	0	2	
Printing and stationery		1,259	0	0	0	0	1,259	
Refreshments		7,360	0	0	0	0	7,360	
Repair and maintenance of premises		97	0	0	0	0	97	
Software and licencing		1,825	0	0	0	0	1,825	
Telecommunications		8,533	0	0	0	0	8,533	
		<u>297,168</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>297,168</u>	
Total expenditure		<u>723,531</u>	<u>74,627</u>	<u>0</u>	<u>1,908</u>	<u>18,780</u>	<u>818,846</u>	

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2020

5. Expenditure (Cont'd)

	Unrestricted fund Accumulated general fund S\$	Restricted funds				Total restricted funds S\$	Total funds S\$
		Mission fund S\$	Building fund S\$	Annie C Ling ESD fund S\$	Youth Outreach fund S\$		
2019							
Cost of charitable activities							
Church camp and retreat	38,318	0	0	0	0	38,318	
Church expenses	10,245	0	0	0	0	10,245	
CPF contributions	29,247	0	0	0	0	29,247	
Donations	210,680	0	0	0	0	210,680	
Gifts	1,347	0	0	0	0	1,347	
Pastoral expenses	5,800	0	0	0	0	5,800	
Purchase of books	53	0	0	0	0	53	
Bible study expenses	188	0	0	0	0	188	
Salaries, allowances and bonuses	154,747	0	0	0	21,840	176,587	
Staff welfare	8,076	0	0	0	0	8,076	
Social concerns	572	0	0	0	0	572	
Church visitors	49,810	0	0	0	0	49,810	
Mission support	0	57,277	0	0	0	57,277	
Others	1,605	0	0	0	0	1,605	
	<u>510,688</u>	<u>57,277</u>	<u>0</u>	<u>21,840</u>	<u>79,117</u>	<u>589,805</u>	

5. Expenditure (Cont'd)

	Note	Unrestricted fund accumulated general fund S\$	Restricted funds				Total restricted funds S\$	Total funds S\$
			Mission fund S\$	Building fund S\$	Annie C Ling ESD fund S\$	Youth Outreach fund S\$		
2019 (Cont'd)								
Governance and other administrative costs								
Audit fee		4,066	0	0	0	0	4,066	
Bank charges		709	0	0	0	0	709	
Depreciation	11	6,264	0	0	0	0	6,264	
Insurance		6,525	0	0	0	0	6,525	
Lease expenses		285,949	0	0	0	0	285,949	
Ministry expenses	6	29,205	0	0	0	0	29,205	
Office expenses		2,977	0	0	0	0	2,977	
Postage and courier		30	0	0	0	0	30	
Printing and stationery		2,178	0	0	0	0	2,178	
Refreshments		25,032	0	0	0	0	25,032	
Repair and maintenance of premises		41	0	0	0	0	41	
Telecommunications		5,049	0	0	0	0	5,049	
		<u>368,025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>368,025</u>	
Total expenditure		878,713	57,277	0	21,840	79,117	957,830	

6. Ministry expenses

	2020 S\$	2019 S\$
Chinese ministry	0	769
Cell ministry	0	100
Church outreach	933	10,744
Ushering	0	451
Leaders ministry	104	341
Prayer ministry	0	50
Sound and video ministry	3,957	1,175
Sunday school ministry	1,902	6,966
Treasury department	396	179
Worship and music ministry	518	197
Youth/Sports ministry	1,450	8,233
	<u>9,260</u>	<u>29,205</u>

7. Income tax

As the Church is registered as a charity organisation under the Charities Act, Chapter 37 since 1 June 2004, no provision for taxation has been made in the financial statements as the Church is exempted from income tax under Section 13 of the Income Tax Act.

8. Cash and cash equivalents

	2020 S\$	2019 S\$
Cash on hand	365	757
Cash at banks	<u>1,048,122</u>	<u>786,464</u>
	<u>1,048,487</u>	<u>787,221</u>

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

9. Fixed deposits

At the reporting date, the fixed deposits have tenures ranging from 12 to 24 months (2019: 12 to 24 months) and have interest rates ranging from 0.30% to 2.18% (2019: 1.75% to 2.18%) per annum.

At the reporting date, the carrying amounts of fixed deposits approximated their fair values.

10. Other receivables

	2020 S\$	2019 S\$
Church camp fees receivables	485	2,055
Deposits	1,000	0
Grant receivables – Jobs Support Scheme	9,098	0
Amount due from a related party	1,720	0
Other receivables	0	867
	<u>12,303</u>	<u>2,922</u>

Other receivables and amount due from a related party are unsecured, non-interest bearing and are repayable on demand.

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS pay-outs are intended to offset local employees' wages and help protect their jobs.

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

11. Plant and equipment

2020	Balance at beginning of financial year S\$	Additions S\$	(Written off) S\$	Balance at end of financial year S\$
At cost				
Computers	18,454	2,700	0	21,154
Office equipment	7,856	3,628	0	11,484
Furniture and fittings	3,047	0	0	3,047
Musical instruments	22,505	1,729	0	24,234
Right-of-use assets				
– Church premises	0	738,948	0	738,948
	<u>51,862</u>	<u>747,005</u>	<u>0</u>	<u>798,867</u>
	Balance at beginning of financial year S\$	Depreciation charge S\$	(Written off) S\$	Balance at end of financial year S\$
Accumulated depreciation				
Computers	18,454	450	0	18,904
Office equipment	3,135	2,950	0	6,085
Furniture and fittings	2,288	759	0	3,047
Musical instruments	13,591	3,189	0	16,780
Right-of-use assets				
– Church premises	0	105,564	0	105,564
	<u>37,468</u>	<u>112,912</u>	<u>0</u>	<u>150,380</u>

11. Plant and equipment (Cont'd)

2020 (Cont'd)	Balance at beginning of financial year S\$			Balance at end of financial year S\$
Carrying amount				
Computers	0			2,250
Office equipment	4,721			5,399
Furniture and fittings	759			0
Musical instruments	8,914			7,454
Right-of-use assets - Church premises	0			633,384
	<u>14,394</u>			<u>648,487</u>
2019	Balance at beginning of financial year S\$	Additions S\$	(Written off) S\$	Balance at end of financial year S\$
At cost				
Computers	18,454	0	0	18,454
Office equipment	1,548	6,308	0	7,856
Furniture and fittings	3,047	0	0	3,047
Musical instruments	21,227	1,278	0	22,505
	<u>44,276</u>	<u>7,586</u>	<u>0</u>	<u>51,862</u>
	Balance at beginning of financial year S\$	Depreciation charge S\$	(Written off) S\$	Balance at end of financial year S\$
Accumulated depreciation				
Computers	18,454	0	0	18,454
Office equipment	516	2,619	0	3,135
Furniture and fittings	1,528	760	0	2,288
Musical instruments	10,706	2,885	0	13,591
	<u>31,204</u>	<u>6,264</u>	<u>0</u>	<u>37,468</u>
	Balance at beginning of financial year S\$			Balance at end of financial year S\$
Carrying amount				
Computers	0			0
Office equipment	1,032			4,721
Furniture and fittings	1,519			759
Musical instruments	10,521			8,914
	<u>13,072</u>			<u>14,394</u>

12. Other payables and accruals

	2020 S\$	2019 S\$
Church camp accrued expenses	0	989
Deferred grant income – Jobs Support Scheme	4,145	0
Staff costs and benefits	51,697	32,998
Other accruals and payables	16,111	18,435
	<u>71,953</u>	<u>52,422</u>

12. Other payables and accruals (Cont'd)

Other payables are unsecured, non-interest bearing and are repayable on demand.

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 17 months of economic uncertainty until August 2021 in which the entity recognises the related salary costs.

Other payables and accruals at the reporting date were denominated in the following currencies:

	2020 S\$	2019 S\$
Singapore Dollar	71,953	51,433
Malaysian Ringgit	0	989
	<u>71,953</u>	<u>52,422</u>

At the reporting date, the carrying amounts of other payables and accruals approximated their fair values.

13. Lease liabilities

	2020 S\$	2019 S\$
Current	178,677	0
Non-current	417,976	0
	<u>596,653</u>	<u>0</u>

A reconciliation of lease liabilities arising from financing activities is as follows:

	1 January 2020 S\$	Addition S\$	Cash flows S\$	Non-cash changes		31 December 2020 S\$
				Accretion of interests S\$	Other S\$	
Current	0	320,972	(142,974)	679	0	178,677
Non-current	0	417,976	0	0	0	417,976
	<u>0</u>	<u>738,948</u>	<u>(142,974)</u>	<u>679</u>	<u>0</u>	<u>596,653</u>

The Church leases of the premises for the purpose of its operations.

The carrying amount of the right-of-use asset presented within plant and equipment is as follows:

	Right-of-use assets - Church premises S\$
At 1 January 2020	0
Additions	738,948
Depreciation	(105,564)
As at 31 December 2020	<u>633,384</u>

13. Lease liabilities (Cont'd)

The amount recognised in statement of financial activities are as follows:

	2020 S\$	2019 S\$
Depreciation of right-of-use assets	105,564	0
Interest expense on lease liabilities	679	0
Lease expense not capitalised in lease liabilities: - Operating lease expenses – Church premises	<u>142,974</u>	<u>285,949</u>
	<u>249,217</u>	<u>285,949</u>

The Church had total cash outflows for leases of S\$285,949 (2019: 285,949) during the year.

14. Funds

14.1 Accumulated general fund

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.

14.2 Mission fund

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

14.3 Building fund

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.

14.4 Annie C Ling ESD fund

The 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 student for educational and character development purpose.

14.5 Youth Outreach fund

The Youth Outreach fund was established for the purpose of financial support for the youth ministry and its activities.

15. Jobs support scheme

During the financial year, the Church recognises income of S\$61,028 from Jobs Support Scheme (JSS). This amount is determined based on the number of eligible staff including those charged under Mission and Youth Outreach funds. However, the Management Committee is of the view that there is no obligation to allocate the JSS grant income to these funds. Having considered the financial position of the funds, the Management Committee decided to recognise the JSS grant income wholly under the Accumulated General Fund and to apply it as it deemed appropriate in accordance with the Church's objectives.

16. Related party transactions

The following transactions took place between the Church and a related party during the financial year at terms agreed between the parties:

	2020 S\$	2019 S\$
<u>Entity with common significant influence</u>		
- Donations given to related parties	34,126	0
- Lease cash outflows	285,949	0
- Rental concessions received	(76,042)	0
- Secondment fee	(19,845)	0
	<u> </u>	<u> </u>

The key management personnel compensation for the financial year are as follows:

	2020 S\$	2019 S\$
Short-term employee benefit		
- Salary, bonus and other related costs	126,886	125,866
Post-employment benefit		
- CPF contributions	20,222	20,787
	<u>147,108</u>	<u>146,653</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\$)	2020 No. of personnel	2019 No. of personnel
Between S\$50,001 to \$100,000	<u>2</u>	<u>2</u>

Members of the Management Committee are volunteers and none received any remuneration or reimbursement during the financial year (2019: Nil).

17. Financial risk management

The Church is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, 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.

17. Financial risk management (Cont'd)

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

17.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Church's exposure to credit risk arises primarily from cash and cash equivalents, fixed deposits and other receivables.

Credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies. For other receivables, the Church adopts the policy of dealing only with high credit rating counterparties. The Church has applied the general 3 stage approach in FRS 109 to measure the loss allowance at 12-months expected credit loss (ECL) due to the counterparty has a low risk of default and does not have any past due amounts.

17.2 Interest rate risk

The Church's exposure to market risk for changes in interest rates, relates primarily to interest-bearing deposit placed with financial institutions. The Church's policy is to place surplus funds in fixed deposits at favourable interest with financial institutions in Singapore.

The sensitivity analysis for interest is deemed not necessary, as the effect of movement in interest rate on the financial instruments is not expected to be significant to the financial statements.

17.3 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 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 financial liabilities in Malaysian Ringgit (Note 12), the Management Committee determined that sensitivity to the exchange rate changes is deemed not necessary as this does not impose significant impact on the results and activities of the Church.

17.4 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.

17. Financial risk management (Cont'd)

17.4 Liquidity risk (Cont'd)

The management monitors and ensures that the Church maintains a level of cash and cash equivalents deemed adequate to finance the Church's operations. 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 year S\$	Later than one year but not later than five years S\$	Total S\$
2020			
Financial assets, at amortised cost			
Cash and cash equivalents	1,048,487	0	1,048,487
Fixed deposits	125,000	0	125,000
Other receivables	12,303	0	12,303
	<u>1,185,790</u>	<u>0</u>	<u>1,185,790</u>
Financial liabilities, at amortised cost			
Other payables and accruals (excluding deferred grant income)	(67,808)	0	(67,808)
Lease liabilities	(190,110)	(427,748)	(617,858)
	<u>(257,918)</u>	<u>(427,748)</u>	<u>(685,666)</u>
	<u>927,872</u>	<u>(427,748)</u>	<u>500,124</u>
2019			
Financial assets, at amortised cost			
Cash and cash equivalents	787,221	0	787,221
Fixed deposits	125,000	0	125,000
Other receivables	2,922	0	2,922
	<u>915,143</u>	<u>0</u>	<u>915,143</u>
Financial liabilities, at amortised cost			
Other payables and accruals	(52,422)	0	(52,422)
	<u>862,721</u>	<u>0</u>	<u>862,721</u>

18. Fair values

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.

The carrying amounts of non-current portion of lease liabilities approximate their fair values as they are subject to interest rate close to market rate of interest for similar arrangements of the financial institution.

19. Reserve position and policy

The Church's reserve position for financial years ended 31 December 2020 and 31 December 2019 are as follows:

		2020	2019	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	1,075	790	36.08
B	Restricted or Designated funds			
	Designated funds	N/A	N/A	N/A
	Restricted funds	91	87	4.60
C	Endowment funds	N/A	N/A	N/A
D	Total funds	1,166	877	32.95
E	Total annual operating expenditure	819	958	(14.51)
F	Ratio of funds to annual operating expenditure (A/E)	1.31	0.82	

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 Administrative costs.

The Church's reserve policy is as follows:

The reserves of the Church provide financial stability and the means for the development of the Church's activities. The Management committee intends to maintain the reserves at a level sufficient for its operating needs. Church reviews the level of reserves regularly for the Church's continuing obligations.

20. 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.

21. Impact of COVID-19 (Coronavirus Disease 2019)

The COVID-19 pandemic has affected almost all countries of the world and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Church's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2020. The nature of the Church's business 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 impact of COVID-19 on the Church's financial performance reflected in this set of financial statements for the year ended 31 December 2020 are summarised below:

- i. The Church has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Management Committee is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.
- ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for the local and the global supply chains, all businesses are required to suspend all in-person activities and the Church's physical operations were temporarily closed to adhere to the respective governments' movement control measures.
- iii. The Church was granted rental rebates as part of the Government's rental relief framework in an assistance package to help business and cushion the impact of COVID-19. The effects of such rental concessions received are disclosed in Note 4.

As the global COVID-19 situation remains very fluid as at the date of these financial statements were authorised for issuance, the Church cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Church's assets may be subject to further write downs in the subsequent financial years.

22. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Management Committee of the Church on

13 JUN 2021