

ALIVE COMMUNITY CHURCH

[UEN. T03SS0128C]

[Registered under the Societies Act 1976
in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021**

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

(UEN. T10LL0955L)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

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 2021 and 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 10 June 2022.

President	Chong Jack Sheng
Vice President	Wong Wai Hoe
Secretary	Peck Chai Hoon
Treasurer	Oh Chia Ju Leonard
Assistant Treasurer	Tan Say Yam Josiah
Committee Member	Chan Tak Chee
Committee Member	Gan Ling Ling Joy
Committee Member	Lim Poh Lin Aileen
Committee Member	Phua Meng Chon Louis
Committee Member	Yin Kah Ho James

For and on behalf of the Management Committee,

DocuSigned by:

240A99F2277F46B...
Chong Jack Sheng
President

DocuSigned by:

C145DB9443D84C7...
Oh Chia Ju Leonard
Treasurer

Singapore, 10 June 2022

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

Independent auditor's report to the members of:

ALIVE COMMUNITY CHURCH

[UEN. T03SS0128C]
[Registered under the Societies Act 1976
in the Republic of Singapore]

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 2021, 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 1976, the Charities Act 1994 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 2021 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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

ALIVE COMMUNITY CHURCH

[UEN. T03SS0128C]
[Registered under the Societies Act 1976
in the Republic of Singapore]

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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

ALIVE COMMUNITY CHURCH

[UEN. T03SS0128C]
[Registered under the Societies Act 1976
in the Republic of Singapore]

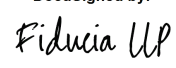
Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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.

DocuSigned by:

A863FCC12BA474...
Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 10 June 2022

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021			2020		
		Unrestricted fund S\$	Restricted funds S\$	Total funds S\$	Unrestricted fund S\$	Restricted funds S\$	Total funds S\$
INCOME							
Income from generating funds	4	898,176	58,810	956,986	842,765	98,545	941,310
Income from charitable activities	4	9,767	0	9,767	6,108	0	6,108
Other income	4	101,040	50,000	151,040	159,983	0	159,983
Total income		<u>1,008,983</u>	<u>108,810</u>	<u>1,117,793</u>	<u>1,008,856</u>	<u>98,545</u>	<u>1,107,401</u>
EXPENDITURE							
Costs of charitable activities	5	532,883	127,186	660,069	507,312	95,149	602,461
Governance and other administrative costs	5	286,364	0	286,364	216,219	166	216,385
Total expenditure		<u>819,247</u>	<u>127,186</u>	<u>946,433</u>	<u>723,531</u>	<u>95,315</u>	<u>818,846</u>
NET INCOME/(DEFICIT)		189,736	(18,376)	171,360	285,325	3,230	288,555
FUNDS BROUGHT FORWARD		<u>1,075,044</u>	<u>90,626</u>	<u>1,165,670</u>	<u>789,719</u>	<u>87,396</u>	<u>877,115</u>
FUNDS CARRIED FORWARD		<u>1,264,780</u>	<u>72,250</u>	<u>1,337,030</u>	<u>1,075,044</u>	<u>90,626</u>	<u>1,165,670</u>

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

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 S\$	2020 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	1,284,315	1,048,487
Fixed deposits	10	128,274	125,000
Other receivables	11	<u>4,682</u>	<u>12,303</u>
		1,417,271	1,185,790
Non-current assets			
Plant and equipment	12	<u>433,073</u>	<u>648,487</u>
Total assets		<u>1,850,344</u>	<u>1,834,277</u>
LIABILITIES			
Current liabilities			
Other payables	13	95,338	71,953
Lease liabilities	14	<u>182,812</u>	<u>178,677</u>
		278,150	250,630
Non-current liabilities			
Lease liabilities	14	<u>235,164</u>	<u>417,976</u>
Total liabilities		<u>513,314</u>	<u>668,606</u>
NET ASSETS		<u>1,337,030</u>	<u>1,165,670</u>
FUNDS			
Unrestricted fund			
Accumulated general fund	15	<u>1,264,780</u>	<u>1,075,044</u>
Restricted funds			
Mission fund	15	24,873	71,371
Building fund	15	2,699	2,699
Annie C Ling ESD fund	15	7,176	7,176
Youth Outreach fund	15	<u>37,502</u>	<u>9,380</u>
		72,250	90,626
TOTAL FUNDS		<u>1,337,030</u>	<u>1,165,670</u>

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

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2021

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Balance at end of financial year S\$
2021			
Unrestricted fund			
Accumulated general fund	<u>1,075,044</u>	<u>189,736</u>	<u>1,264,780</u>
Restricted funds			
Mission fund	71,371	(46,498)	24,873
Building fund	2,699	0	2,699
Annie C Ling ESD fund	7,176	0	7,176
Youth outreach fund	<u>9,380</u>	<u>28,122</u>	<u>37,502</u>
	<u>90,626</u>	<u>(18,376)</u>	<u>72,250</u>
	<u>1,165,670</u>	<u>171,360</u>	<u>1,337,030</u>
	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>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 S\$	2020 S\$
Cash flows from operating activities			
Net income for the year		171,360	288,555
Adjustments for:			
- Depreciation	12	220,390	112,912
- Interest income	4	(3,549)	(1,002)
- Interest on lease liabilities	5	11,433	679
Operating cash flow before changes in working capital		<u>399,634</u>	<u>401,144</u>
Changes in working capital			
- Other receivables		7,621	(9,381)
- Other payables		<u>23,384</u>	<u>19,532</u>
Net cash generated from operating activities		<u>430,639</u>	<u>411,295</u>
Cash flows from investing activities			
Purchase of plant and equipment		(4,976)	(8,057)
Interest received		<u>3,549</u>	<u>1,002</u>
Net cash used in investing activities		<u>(1,427)</u>	<u>(7,055)</u>
Cash flows from financing activities			
Placement of fixed deposits		(3,274)	0
Payment of principal portion of lease liabilities		(178,677)	(142,295)
Interest paid		<u>(11,433)</u>	<u>(679)</u>
Net cash used in financing activities		<u>(193,384)</u>	<u>(142,974)</u>
Net increase in cash and cash equivalents		235,828	261,266
Cash and cash equivalents at beginning of financial year		<u>1,048,487</u>	<u>787,221</u>
Cash and cash equivalents at end of financial year	9	<u>1,284,315</u>	<u>1,048,487</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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 1976 on 15 August 2003. The Church registered as a charity under the Charities Act 1994 on 1 June 2004.

The Church's registered address is 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 1976 (the "Societies Act") and Charities Act 1994. 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 2021

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.

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)

2.1.2 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	Annual periods commencing on
Amendments to: - FRS 103: Reference to the Conceptual Framework - FRS 16: Property, Plant and Equipment – Proceeds before intended Use - FRS 37: Onerous Contracts – Cost of Fulfilling a Contract Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to: - FRS 1: Classification of Liabilities as Current or Non-current - FRS1: Disclosure of Accounting Policies - FRS 8: Definition of Accounting Estimates - FRS 12: Deferred tax related to Assets and Liabilities arising from a single transaction	1 January 2023
Amendments to: - FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture	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.

2.2.1 Donations, tithes and offerings

Donations, tithes and offerings are recognised upon receipt.

2.2.2 Church camp fee

Income 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

Income 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. Significant accounting policies (Cont'd)**2.2 Income recognition (Cont'd)**

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

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Church will comply with all the attached conditions.

When the government grants relates to an expense item, it is recognised in income or expenditure over the periods necessary to match them on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to income or expenditure over the expected useful life of the relevant asset by equal annual instalments.

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.

2.5 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. Significant accounting policies (Cont'd)**2.5 Employee compensation (Cont'd)**

2.5.1 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

The Church assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the Church is a lessee

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 recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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 12.

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.

2. Significant accounting policies (Cont'd)**2.6 Leases (Cont'd)**

2.6.2 Lease liabilities (cont'd)

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 14.

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 Foundation 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.

2.6.4 Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Church shall recognise those lease payments in the statement of comprehensive income in the periods that triggered those lease payments.

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.

Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

2. Significant accounting policies (Cont'd)

2.7 Plant and equipment (Cont'd)

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:

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

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.

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

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.

2.8 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. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in statement of financial activities.

2. Significant accounting policies (Cont'd)**2.8 Impairment of non-financial assets (Cont'd)**

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 as at amortised cost 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, fixed deposits 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 equivalent 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 "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**

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 Borrowing costs

Borrowing costs are recognised in the statement of financial activities using the effective interest method. Borrowing costs may include interest in respect of lease liability recognised in accordance with FRS 116.

2.15 Borrowings

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and their redemption values is recognised in the statement of financial activities over the period of borrowings using the effective interest method.

Borrowings, which are due to be settled within twelve months after the reporting date, are included in current borrowings in the statement of financial position.

2.16 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.

2.17 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized.

2.18 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

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

3.1.1 Useful lives of plant and equipment

Management determines the estimated useful lives and the related depreciation for its plant and equipment based on the period over which the plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying amounts of the Church's plant and equipment was disclosed in Note 12 to the financial statements.

Based on Management's assessment, no change in the estimated useful lives of plant and equipment are required as of 31 December 2021 and 31 December 2020.

3.1.2 Impairment of plant and equipment

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. This requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Church to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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.

3.2.1 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 2021**4. Income**

	Unrestricted fund	Restricted funds					Total restricted funds S\$	Total funds S\$
	Accumulated general fund S\$	Mission fund S\$	Building fund S\$	Annie C Ling ESD fund S\$	Youth Outreach fund S\$			
2021								
Income from generating funds								
Voluntary income								
- Tithes, offerings and pledges	898,176	58,810	0	0	0	58,810	956,986	
Income from charitable activities								
Church visitors	5,157	0	0	0	0	0	5,157	
Youth camp fees	4,610	0	0	0	0	0	4,610	
	9,767	0	0	0	0	0	9,767	
Other income								
Interest income	3,549	0	0	0	0	0	3,549	
Government grants								
- Jobs growth incentive	22,800	0	0	0	0	0	22,800	
- Jobs support scheme	11,597	0	0	0	0	0	11,597	
- Others	6,552	0	0	0	0	0	6,552	
Secondment fee	54,180	0	0	0	0	0	54,180	
Youth outreach	0	0	0	0	50,000	50,000	50,000	
Miscellaneous	2,362	0	0	0	0	0	2,362	
	101,040	0	0	0	50,000	50,000	151,040	
Total income	1,008,983	58,810	0	0	50,000	108,810	1,117,793	

4. Income (Cont'd)

	Unrestricted fund	Restricted funds					Total restricted funds	Total funds
	Accumulated general fund	Mission fund	Building fund	Annie C Ling ESD fund	Youth Outreach fund	Total restricted funds		
2020	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Income from generating funds								
Voluntary income								
- Tithes, offerings and pledges	842,765	98,545	0	0	0	98,545	941,310	
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	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	

* Income recognised at a point in time

There are no contract liabilities balances.

5. Expenditure

	Note	Unrestricted fund	Restricted funds					Total restricted funds	Total funds
		Accumulated general fund	Mission fund	Building fund	Annie C Ling ESD fund	Youth Outreach fund	S\$		
2021		S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Cost of charitable activities									
Bible study expenses		12,168	0	0	0	0	0	12,168	
Church camp and retreat		2,400	0	0	0	0	0	2,400	
CPF contributions		20,396	8,398	0	0	0	8,398	28,794	
Church expenses		15,622	0	0	0	0	0	15,622	
Church visitors		410	0	0	0	0	0	410	
Depreciation	12	211,128	0	0	0	0	0	211,128	
Donations		111,437	0	0	0	0	0	111,437	
Gifts		1,875	0	0	0	0	0	1,875	
Interest on lease liabilities	14	11,433	0	0	0	0	0	11,433	
Ministry expenses	6	33,772	0	0	0	0	0	33,772	
Mission supports	7	0	47,510	0	0	0	47,510	47,510	
Pastoral expenses		6,567	0	0	0	0	0	6,567	
Salaries, allowances and bonuses		99,022	49,400	0	0	21,878	71,278	170,300	
Social concerns		1,250	0	0	0	0	0	1,250	
Staff welfare		4,589	0	0	0	0	0	4,589	
Miscellaneous		814	0	0	0	0	0	814	
		<u>532,883</u>	<u>105,308</u>	<u>0</u>	<u>0</u>	<u>21,878</u>	<u>127,186</u>	<u>660,069</u>	

5. Expenditure (Cont'd)

	Note	Unrestricted fund	Restricted funds				Total restricted funds S\$	Total funds S\$
		Accumulated general fund S\$	Mission fund S\$	Building fund S\$	Annie C Ling ESD fund S\$	Youth Outreach fund S\$		
2021 (Cont'd)								
Governance and other administrative costs								
Audit fee		5,000	0	0	0	0	0	5,000
Bank charges		1,325	0	0	0	0	0	1,325
CPF contributions		32,258	0	0	0	0	0	32,258
Depreciation	12	9,262	0	0	0	0	0	9,262
Insurance		4,228	0	0	0	0	0	4,228
Office expenses		1,323	0	0	0	0	0	1,323
Printing and stationery		496	0	0	0	0	0	496
Refreshments		3,816	0	0	0	0	0	3,816
Repair and maintenance of premises		999	0	0	0	0	0	999
Salaries, allowances and bonuses		219,922	0	0	0	0	0	219,922
Software and licencing		1,756	0	0	0	0	0	1,756
Telecommunications		5,979	0	0	0	0	0	5,979
		<u>286,364</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>286,364</u>
Total expenditure		<u>819,247</u>	<u>105,308</u>	<u>0</u>	<u>0</u>	<u>21,878</u>	<u>127,186</u>	<u>946,433</u>

Alive Community Church

[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2021**5. Expenditure (Cont'd)**

	Note	Unrestricted fund	Restricted funds					Total restricted funds S\$	Total funds S\$
		Accumulated general fund S\$	Mission fund S\$	Building fund S\$	Annie C Ling ESD fund S\$	Youth Outreach fund S\$			
2020									
Cost of charitable activities									
ACL support		0	0	0	1,908	0	1,908	1,908	
Bible study expenses		905	0	0	0	0	0	905	
Church expenses		6,623	0	0	0	0	0	6,623	
Church visitors		3,281	0	0	0	0	0	3,281	
CPF contributions		21,614	0	0	0	0	0	21,614	
Depreciation	12	105,564	0	0	0	0	0	105,564	
Donations		104,820	0	0	0	0	0	104,820	
Gifts		3,553	0	0	0	0	0	3,553	
Interest on lease liabilities	14	679	0	0	0	0	0	679	
Ministry expenses	6	9,260	0	0	0	0	0	9,260	
Mission supports	7	0	62,301	0	0	0	62,301	62,301	
Operating lease - Premises	14	142,974	0	0	0	0	0	142,974	
Pastoral expenses		5,192	0	0	0	0	0	5,192	
Salaries, allowances and bonuses		96,851	12,160	0	0	18,780	30,940	127,791	
Staff welfare		4,922	0	0	0	0	0	4,922	
Social concerns		450	0	0	0	0	0	450	
Miscellaneous		624	0	0	0	0	0	624	
		<u>507,312</u>	<u>74,461</u>	<u>0</u>	<u>1,908</u>	<u>18,780</u>	<u>95,149</u>	<u>602,461</u>	

5. Expenditure (Cont'd)

	Note	Unrestricted fund	Restricted funds				Total restricted funds S\$	Total funds S\$
		Accumulated general fund 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	
CPF contributions		23,760	0	0	0	0	23,760	
Depreciation	12	7,348	0	0	0	0	7,348	
Insurance		6,560	0	0	0	0	6,560	
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	166	0	0	166	7,526	
Repair and maintenance of premises		97	0	0	0	0	97	
Salaries, allowances and bonuses		153,768	0	0	0	0	153,768	
Software and licencing		1,825	0	0	0	0	1,825	
Telecommunications		8,533	0	0	0	0	8,533	
		<u>216,219</u>	<u>166</u>	<u>0</u>	<u>0</u>	<u>166</u>	<u>216,385</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 2021

6. Ministry expenses

	Note	2021 S\$	2020 S\$
Chinese ministry		1,750	0
Church outreach		0	933
Leaders ministry		0	104
Prayer ministry		16,968	0
Sound and video ministry		197	3,957
Sunday school ministry		2,147	1,902
Treasury department		0	396
Ushering		60	0
Worship and music ministry		147	518
Youth/Sports ministry		12,503	1,450
	5	<u>33,772</u>	<u>9,260</u>

7. Mission supports

During the financial year, the Church's overseas spending are as follows:

	Note	2021 S\$	2020 S\$
China		0	19,020
India		8,200	0
Indonesia		9,310	4,000
Malaysia		14,300	27,281
Myanmar		3,000	0
Philippines		12,700	12,000
	5	<u>47,510</u>	<u>62,301</u>

8. Income tax

As the Church is registered as a charity organisation under the Charities Act 1994 since 1 June 2004, no provision for taxation has been made in the financial statements as the Church is exempted from income tax under the Income Tax Act.

9. Cash and cash equivalents

	2021 S\$	2020 S\$
Cash on hand	436	365
Cash at bank	<u>1,283,879</u>	<u>1,048,122</u>
	<u>1,284,315</u>	<u>1,048,487</u>

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

10. Fixed deposits

At the reporting date, the fixed deposits have tenures of 12 months (2020: 12 months) and have interest rates ranging from 0.30% to 0.40% (2020: 0.30% to 2.18%) per annum.

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

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2021

11. Other receivables

	2021 S\$	2020 S\$
Church camp fees receivables	300	485
Deposit paid	1,000	1,000
Grant receivables – Jobs Support Scheme	0	9,098
Amount due from a related party	3,382	1,720
	4,682	12,303

Amounts due from a related party is unsecured, non-interest bearing and is 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.

12. Plant and equipment

	Balance at beginning of financial year S\$	Additions S\$	(Disposals) S\$	Balance at end of financial year S\$
2021				
At cost				
Computers	21,154	0	0	21,154
Office equipment	11,484	0	0	11,484
Furniture and fittings	3,047	0	0	3,047
Musical instruments	24,234	4,976	0	29,210
Right-of-use assets				
- Church premises	738,948	0	0	738,948
	798,867	4,976	0	803,843
	Balance at beginning of financial year S\$	Depreciation charge S\$	(Disposals) S\$	Balance at end of financial year S\$
Accumulated depreciation				
Computers	18,904	2,250	0	21,154
Office equipment	6,085	3,313	0	9,398
Furniture and fittings	3,047	0	0	3,047
Musical instruments	16,780	3,699	0	20,479
Right-of-use assets				
- Church premises	105,564	211,128	0	316,692
	150,380	220,390	0	370,770
	Balance at beginning of financial year S\$			Balance at end of financial year S\$
Carrying amount				
Computers	2,250			0
Office equipment	5,399			2,086
Furniture and fittings	0			0
Musical instruments	7,454			8,731
Right-of-use assets				
- Church premises	633,384			422,256
	648,487			433,073

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2021

12. Plant and equipment (Cont'd)

2020	Balance at beginning of financial year S\$	Additions S\$	(Disposals) 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	<u>0</u>	<u>738,948</u>	<u>0</u>	<u>738,948</u>
	<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\$	(Disposals) 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	<u>0</u>	<u>105,564</u>	<u>0</u>	<u>105,564</u>
	<u>37,468</u>	<u>112,912</u>	<u>0</u>	<u>150,380</u>
	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	<u>0</u>			<u>633,384</u>
	<u>14,394</u>			<u>648,487</u>

During the financial year, the depreciation were allocated as follows:

	2021 S\$	2020 S\$
Cost of charitable activities	211,128	105,564
Governance and other administrative costs	<u>9,262</u>	<u>7,348</u>
	<u>220,390</u>	<u>112,912</u>

Alive Community Church
[UEN. T03SS0128C]

Audited Financial Statements
Financial Year Ended 31 December 2021

13. Other payables

	2021 S\$	2020 S\$
Deferred grant income - ICT	1,303	0
Deferred grant income - Job Support Scheme	0	4,145
Staff costs and benefits	75,495	51,697
Other accruals and payables	18,540	16,111
	<u>95,338</u>	<u>71,953</u>

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

The deferred grant income – ICT grant will be recognised as a grant income, on a systematic basis, for 2 years. The Info-Communication Technology (ICT) grant provides co-funding for Charities to harness ICT and digital transformation projects. The Church uses this grant to partly pay for their monthly internet service.

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.

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

14. Leases

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

14.1 Carrying amount of the right-of-use assets presented within plant and equipment

	2021 S\$	2020 S\$
Church premises		
Balance at beginning of financial year	633,384	0
Additions	0	738,948
Depreciation	(211,128)	(105,564)
Balance at end of financial year	<u>422,256</u>	<u>633,384</u>

14.2 Lease liabilities

	2021 S\$	2020 S\$
Current	182,812	178,677
Non-current	235,164	417,976
	<u>417,976</u>	<u>596,653</u>

14. Leases (Cont'd)

14.2 Lease liabilities (cont'd)

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

	1 January 2021 S\$	Addition S\$	Cash flows S\$	Non-cash changes		31 December 2021 S\$
				Accretion of interests S\$	Other S\$	
2021						
Current	178,677	0	(190,110)	11,433	182,812	182,812
Non-current	417,976	0	0	0	(182,812)	235,164
	<u>596,653</u>	<u>0</u>	<u>(190,110)</u>	<u>11,433</u>	<u>0</u>	<u>417,976</u>

	1 January 2020 S\$	Addition S\$	Cash flows S\$	Non-cash changes		31 December 2020 S\$
				Accretion of interests S\$	Other S\$	
2020						
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>

14.3 The amount recognised in statement of financial activities

	2021 S\$	2020 S\$
Depreciation of right-of-use assets	211,128	105,564
Interest expense on lease liabilities	11,433	679
Operating lease – Premises (short-term lease)	<u>0</u>	<u>142,974</u>
	<u>222,561</u>	<u>249,217</u>

14.4 Total cash outflow

The Church had total cash outflows for leases of S\$190,110 (2020: 285,949) during the year.

15. Funds

15.1 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.

15.2 Mission fund

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

15. Funds (Cont'd)

15.3 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.

15.4 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.

15.5 Youth Outreach fund

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

16. Jobs support scheme

During the financial year, the Church recognises income of S\$11,597 (2020: 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.

17. 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:

	2021	2020
	S\$	S\$
Entity with common significant influence		
- Donations given to related parties	(94,796)	(34,126)
- Lease payments	(190,110)	(285,949)
- Rebates on lease payments	3,382	76,042
- Secondment fee received	<u>54,180</u>	<u>19,845</u>

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

	2021	2020
	S\$	S\$
Short-term employee benefit		
- Salary, bonus and other related costs	191,025	126,886
Post-employment benefit		
- CPF contributions	<u>28,400</u>	<u>20,222</u>
	<u>219,425</u>	<u>147,108</u>

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

17. Related party transactions (Cont'd)

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

Remuneration band (S\$)	2021 No. of personnel	2020 No. of personnel
Between S\$50,001 to \$100,000	1	2
Between S\$100,001 to \$150,000	<u>1</u>	<u>0</u>

Members of the Management Committee are volunteers and none received any remuneration or reimbursement during the financial year (2020: S\$NIL).

18. Financial risk management

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

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

18.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Church. The Church has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Church performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Exposure to credit risk

The Church has no significant concentration of credit risk. The Church has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Church. Cash and bank balances are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

There are no financial assets that are either past due or impaired for the financial year ended 31 December 2021 and 31 December 2020.

18. Financial risk management (Cont'd)

18.2 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.

18.3 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, 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.

18.4 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.

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\$
2021			
Financial assets, at amortised cost			
Cash and cash equivalents	1,284,315	0	1,284,315
Fixed deposits	128,274	0	128,274
Other receivables	4,682	0	4,682
	<u>1,417,271</u>	<u>0</u>	<u>1,417,271</u>
Financial liabilities, at amortised cost			
Other payables (excluding deferred grant income)	(94,035)	0	(94,035)
Lease liabilities	(190,104)	(237,637)	(427,741)
	<u>(284,139)</u>	<u>(237,637)</u>	<u>(521,776)</u>
	<u>1,133,132</u>	<u>(237,637)</u>	<u>895,495</u>

18. Financial risk management (Cont'd)

18.4 Liquidity risk (cont'd)

2020	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
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 (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>

19. 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 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.

20. Reserve position and policy

The Church's reserve position for financial years ended 31 December 2021 and 31 December 2020 are as follows:

		2021	2020	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	1,265	1,075	17.67
B	Restricted or Designated funds			
	Designated funds	N/A	N/A	
	Restricted funds	72	91	(20.88)
C	Endowment funds	N/A	N/A	
D	Total funds	1,337	1,166	14.67
E	Total annual operating expenditure	946	819	15.51
F	Ratio of funds to annual operating expenditure (A/E)	1.34	1.31	

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.

20. Reserve position and policy (Cont'd)

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.

21. 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.

22. Impact of COVID-19 (Coronavirus Disease 2020)

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 since 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 2021 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 government has also implemented assistance measures which might mitigate some of the impact of COVID-19 on the Church's results and liquidity.

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 2022. 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.

23. Comparative figures

Reclassification has been made to prior year's financial statements to enhance comparability with current year's financial statements.

The following reclassification were made:

2020	As previously reported S\$	Reclassification S\$	As reclassified S\$
Statement of financial activities			
Cost of charitable activities	521,678	80,783	602,461
Governance and administrative cost	297,168	(80,783)	216,385
	<u> </u>	<u> </u>	<u> </u>

24. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Management Committee of the Church on 10 June 2022.