ABUNDANT GRACE PRESBYTERIAN CHURCH
(UEN No. T13SS0122H)
(Registered under the Societies Act, Cap. 311 and Charities Act, Cap. 37)

GENERAL INFORMATION

Registration Number	:	T13SS0122H

Management committee

Chairman	:	Mr. Lim Choon Guan
Vice- Chairman	:	Mr. Phua Eng Guan
Secretary	:	Ms. Phua Xue Ying, Rachael
Vice-Secretary	:	Mr. Ho Wei Sin
Treasurer	:	Mr. Seah Cheng Xin, Esmond
Vice-Treasurer	:	Mr. Seo San Hang, Joseph
Committee member	:	Mr. Seo Hung Hung, Jorge
Committee member	:	Ms. Lee Yee Ching
Committee member	:	Mr. Goh Heng Yi, Elvin
Committee member	:	Ms. Ho Li Eng

Registered Office	:	240, Jalan Kayu Singapore 799464
Auditors	:	CHC & Associates
Principal Banker	:	United Overseas Bank

<u>Index</u>

ABUNDANT GRACE PRESBYTERIAN CHURCH
(UEN: T13SS0122H)
(Registered under the Societies Act, Cap. 311 and Charities Act, Cap. 37, Singapore)

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

a. the financial statements of Abundant Grace Presbyterian Church (the "Church") together with the notes thereto are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311, the Charities Act, Cap. 37 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Church as at 31 December 2019 and the results, changes in fund and cash flows of the Church for financial year ended on that date; and

b. 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 authorised the issue of these financial statements.

Signed on behalf of the Management Committee

....
Lim Choon Guan
Chairman

Esmond
....
Seah Cheng Xin Esmond
Treasurer

Singapore

Date: 19 JUN 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABUNDANT GRACE PRESBYTERIAN CHURCH
(Registered under the Societies Act, Cap. 311 and Charities Act, Cap. 37, Singapore)

Opinion

We have audited the financial statements of Abundant Grace Presbyterian Church (the "Church"), which comprise the statement of financial position of the Church as at **31 December 2019**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Church for the year then ended, and 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, Cap. 311 and the Charities Act, Cap. 37 (collectively known as the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Church as at 31 December 2019 and of the financial performance, changes in equity 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 provisions of the Societies Act, Cap. 311 and the Charities Act, Cap. 37 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management Committee is responsible for the other information. The other information comprises the Management committees' Statement set out on page 1.

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.

Responsibilities of Management Committee for the Financial Statements

Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Cap. 311 and the Charities Act, Cap. 37 and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management committee 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 committee either intends to liquidate the Management Committee or to cease operations, or has no realistic alternative but to do so.

The management committees' responsibilities include 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 committee.

- Conclude on the appropriateness of management committee'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 the management committee 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 by the Act to be kept by the Church have been properly kept in accordance with the provisions of the Act.

CHC & Associates

CHC & ASSOCIATES
Public Accountants and
Chartered Accountants
Singapore

Date: 19 JUN 2020

Address: 11 Woodlands Close, #09-45 Woodlands 11, Singapore 737853 Tel: 6334 7993 FAX: 6334 7992

ABUNDANT GRACE PRESBYTERIAN CHURCH

(Registered under the Societies Act, Cap.311 and Charities Act, Cap. 37, Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 S$	2018 S$
Income			
Mission fund		69,476	60,416
Contribution from members		242,422	244,726
After school centre income		62,768	73,774
Thanksgiving		15,269	31,013
Sunday offerings		151,345	154,234
Other income	3	15,504	31,358
		556,783	595,521
Less: Operating expenses			
Advertisement		150	-
After school expenses		82,514	79,956
Auditor's remuneration		2,500	2,500
Bank service charge		300	205
Book and publications		553	993
Church activities	4	37,502	28,383
Courses and seminar		1,195	961
Depreciation of property, plant and equipment	5	46,846	44,859
Depreciation of right-of-use asset	12	5,584	-
Donation		5,070	7,907
Employee benefits		252,301	235,497
Entertainment		-	190
Equipment rental		-	6,839
General expenses		2,197	1,092
Insurance		3,125	3,453
Interest expense on lease liabilities	12	1,322	-
Meals and refreshment		8,152	9,351
Medical fee		2,593	1,583
Mission expenditure		28,208	40,715
Preaching expenses		1,350	6,100
Printing, postage and stationary		949	1,451
Property tax		14,900	15,450
Repairs and maintenance		27,053	24,670
Subscriptions		8,599	7,728
Telephone		4,195	3,690
Transportation		30	26
Upkeep of motor vehicle		7,907	8,780
Utilities		15,127	12,687
		560,222	545,066
Net (Loss)/Surplus for the financial year		(3,439)	50,455

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

ABUNDANT GRACE PRESBYTERIAN CHURCH
(Registered under the Societies Act, Cap.311 and Charities Act, Cap. 37, Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 S$	2018 S$
ASSETS			
Non-current assets			
Property, plant and equipment	5	446,546	471,208
Right-of-use asset	12a	21,872	-
		468,418	471,208
Current assets			
Other receivables	6	7,300	24,287
Cash and cash equivalents	7	998,976	947,876
		1,006,276	972,163
Total assets		1,474,694	1,443,371
FUNDS AND LIABILITIES			
Funds			
Accumulated fund	8	1,235,797	1,239,236
Building fund	9	93,770	74,620
Community service fund	10	100,000	100,000
		1,429,567	1,413,856
Current liabilities			
Other payables	11	22,697	29,515
Lease liabilities	12b	5,297	-
		27,995	29,515
Non-Current Liabilities			
Lease Liabilities	12b	17,132	-
Total funds and liabilities		1,474,694	1,443,371

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Accumulated fund	Building fund	Community service fund	Total
	S$	S$	S$	S$
At 01 January 2018	1,188,781	49,110	100,000	1,337,891
Donations for the financial year	-	25,510	-	25,510
Net surplus for the financial year	50,455	-	-	50,455
At 31 December 2018	1,239,236	74,620	100,000	1,413,856
Donations for the financial year	-	19,150	-	19,150
Net loss for the financial year	(3,439)	-	-	(3,439)
At 31 December 2019	**1,235,797**	**93,770**	**100,000**	**1,429,567**

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 S$	2018 S$
Operating activities			
Net (loss)/surplus for the financial year		(3,439)	50,455
Adjustments for:			
Depreciation of property, plant and equipment	5	46,847	44,859
Depreciation of right-of-use asset	12	5,584	-
Interest expense on lease liabilities	12	1,322	-
Operating surplus before working capital changes		50,314	95,314
Changes in working capital:			
Other receivables		16,987	(17,883)
Other payables		(6,817)	6,767
Net cash from operation		60,484	84,198
Interest paid		(1,322)	-
Net Cash from operating activities		59,162	84,198
Investing activities			
Purchase of property, plant and equipment	5	(22,186)	(16,935)
Recognition of right-of-use asset	12	(27,456)	
Net cash used in investing activities		(49,642)	(16,935)
Financing activities			
Building fund		19,150	25,510
Recognition of lease liabilities	12	27,456	-
Payment of principal portion of lease liabilities		(5,026)	-
Net cash from financing activities		41,580	25,510
Net increase in cash and cash equivalents		51,100	92,773
Cash and cash equivalents at beginning of year		947,876	855,103
Cash and cash equivalents at end of year		998,976	947,876
As per books:			
Cash and cash equivalents	7	998,976	947,876

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

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

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

1. GENERAL INFORMATION

The Abundant Grace Presbyterian Church ("the Church") is registered under the Societies Act, Cap. 311 and Charities Act, Cap. 37 domiciled in the Republic of Singapore. It is governed by The Constitution of The Presbyterian Church in Singapore.

The registered address of the Church is located at 240 Jalan Kayu, Singapore 799464.

The purpose of the Church is to unite the Presbyterian churches in Singapore in a self-governing, self-supporting and self-witnessing spirit for the preaching of the Christian doctrine, the practice of the Christian life and the extension of God's Kingdom on earth.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the provision of the Singapore Societies Act, Cap. 311 and Charities Act, Cap 37. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with FRS requires the Management Committee 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 and critical are disclosed in Note 13.

In the financial year, the Church adopted all the new and revised FRSs and Interpretations to FRS that are relevant to its operations and effective for annual periods beginning on or after 01 January 2019.

The adoption of these new/revised FRSs and INT FRSs did not result in changes to the Church's accounting policies and has no material effect on the amounts reported for the current or prior years.

(b) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Church becomes a party to the contractual provisions of the financial instrument. 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 financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets (continued)

Initial recognition and measurement

Trade receivables are measured at the amount of 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 party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Church's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income and fair value through profit or loss. The Church only has debt instruments at amotised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit and loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognized in profit and loss.

(c) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Church becomes a party to the contractual provisions of the financial instrument. The Church determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial liabilities (continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognized in profit or loss.

(d) Impairment of financial assets

The Church recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Church expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-monts (s 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Church applies a simplified approach in calculating ECLs. Therefore, the Church does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Church has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Church considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Church may also consider a financial asset to be in default when internal or external information indicates that the Church is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Church. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

Cash and cash equivalents includes bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

(f) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Church recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Church building	-	50 years
Motor vehicle	-	5 years
Renovation and upgrading	-	10 years
Furniture and other equipment	-	10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of non-financial assets

The Church assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Church makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(h) Leases

These accounting policies are applied on and after the initial application date of FRS116, 1 January 2019:

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.

<u>As lessee</u>

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.

Right-of-use assets

The Church recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases (continued)

As lessee (continued)

Right-of-use assets (continued)

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 receive. 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(g).

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 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 or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Church applies the short-term lease recognition exemption to its short-term leases of machinery. 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.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases (continued)

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(i) Revenue recognition

Revenue 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.

Revenue is recognised when the Church satisfies a performance obligation by transferring a good or service to a 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 revenue recognised is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must also be met before revenue is recognised:

i) Contribution from members

Contribution from members are recognised upon receipt.

ii) Donations, offerings, thanksgiving and other income

Donations, offerings, thanksgiving and other income are recognised upon receipt.

(j) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Taxation

Income tax

The Church which is registered as a Charity under the Charities Act is exempted from income tax under Section 13(1)(zm) of the Income Tax Act.

(l) Provisions

General

Provisions are recognised when the Church has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Key management personnel

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

(n) Employee benefits

(i) 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, on mandatory, contractual or voluntary basis.

The Church has no further payment obligations once the contributions have been paid. The Church's contributions to defined contribution plans are recognised as employee compensation expense when they are due.

(ii) Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Church; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Church.

Contingent liabilities and assets are not recognised on the statement of financial position of the Church, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. OTHER INCOME

	2019	2018
	S$	S$
Government grants	7,098	8,316
Special donation	8,400	20,000
Miscellaneous income	6	3,042
	15,504	31,358

4. FUND MANAGEMENT

The primary objective of the Church's fund management is to ensure that the funding from members and other sources are properly managed and used to supports its operations.

The Church manages its fund structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2019.

The Church is not subjected to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

5. PROPERTY, PLANT AND EQUIPMENT

	Church building S$	Motor vehicle S$	Renovation and upgrading S$	Furniture and other equipment S$	Total S$
Cost					
At 01.01.2018	250,000	100,800	572,544	173,440	1,096,784
Additions	-	-	12,646	4,289	16,935
At 31.12.2018	250,000	100,800	585,190	177,729	1,113,719
Additions	-	-	-	22,186	22,186
Disposal	-	-	-	(14,300)	(14,300)
At 31.12.2019	250,000	100,800	585,190	185,616	1,121,605
Accumulated depreciation					
At 01.01.2018	72,382	15,120	397,780	112,371	597,653
Depreciation	5,000	20,160	11,540	8,159	44,859
At 31.12.2018	77,382	35,280	409,321	120,530	642,513
Depreciation	5,000	20,160	11,801	9,886	46,846
Disposal	-	-	-	(14,300)	(14,300)
At 31.12.2019	82,382	55,440	421,122	116,116	675,059
Carrying amount					
At 31.12.2019	**167,618**	**45,360**	**164,068**	**69,500**	**446,546**
At 31.12.2018	172,618	65,520	175,869	57,199	471,206

6. OTHER RECEIVABLES

	2019 S$	2018 S$
Amount receivable from members	5,200	5,960
Amount receivable from others	250	-
Deposits	1,850	16,865
Mission fund	-	260
Prepayments	-	1,202
	7,300	24,287

Other receivables are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The carrying amount is assumed to be a reasonable approximation of its fair value and is denominated in Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

7. CASH AND CASH EQUIVALENTS

	2019	2018
	S$	S$
Cash at bank	995,876	943,572
Cash on hand	3,100	4,304
	998,976	947,876

The carrying amounts are assumed to be a reasonable approximation of fair values and are denominated in Singapore Dollar.

8. ACCUMULATED FUND

Accumulated fund inclusive of S$199,569 (2018: S$158,301) belong to Mission Fund. Mission fund was established for mission purposes and activities.

9. BUILDING FUND

Building fund was established for the purpose of construction, expansion and renovation of Church building and for setting up of branch and organization.

10. COMMUNITY SERVICE FUND

Community service fund was established for the purpose of community service activities.

11. OTHER PAYABLES

	2019	2018
	S$	S$
Accrued operating expenses	16,267	24,762
Refundable deposit	5,870	4,753
Deferred income	560	-
	22,697	29,515

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

The carrying amounts are assumed to be a reasonable approximation of fair values and are denominated in Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

12. LEASES

The Church leases equipment from non-related parties under non-cancellable operating lease agreement. The lease is for 60 months with non-renewable option and no contingent rent provision.

a. Carrying amounts of right-of-use asset

	Furniture and other equipment	Total
	S$	S$
At 1 January 2019	27,456	27,456
Depreciation	(5,584)	(5,584)
At 31 December 2019	21,872	21,872

b. Leases Liabilites

	2019	2018
	S$	S$
Current	5,297	-
Non-current	17,132	-
	22,429	-

Reconciliation of liabilities arising from financing activities is as follows:

	01.01.2019	Adoption of FRS 116	Cash flows	Non-cash changes: Accretion of interest	Non-cash changes: Others	31.12.2019
	$	$	$	$	$	$
Lease liabilities						
- Current	-	27,456	(6,348)	1,322	(17,132)	5,297
- Non-current	-	-	-	-	17,132	17,132
Total	-	27,456	(6,348)	1,322	-	22,429

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

12. LEASES (CONTINUED)

c. Amounts recognised in profit or loss

	2019
	S$
Depreciation of right-of-use assets	5,584
Interest expenses on lease liabilities	1,322
Total amount recognised in profit or loss	6,906

d. Total cash outflow

The Church had total cash outflows for leases of S$6,792 in 2019.

13. COMMITMENTS

The Church leases equipment from non-related parties under non-cancellable operating lease agreement.

As at 31 December 2018, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	2018
	S$
Not later than one year	6,792
Later than one year but not later than five years	31,740
	38,532

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2018 amounted to S$6,792.

The Church has adopted FRS 116 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

14. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Church categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Club can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement.

(b) Assets and liabilities not measured at fair value

Cash and cash equivalents and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

15. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Church's financial statements requires the management committee to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of asset or liability affected in the future.

The key assumptions and judgements concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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:

Provision for expected credit losses of receivables

The Church uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Church's historical observed default rates. The Church will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

15. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast of economic conditions. The Church's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Church's receivables is disclosed in Note 6 to the financial statements.

16. FINANCIAL RISK MANAGEMENT POLICIES

The main risk arising from the Church's financial instruments is liquidity risk. The Church reviews and agrees policies for managing each of these risk as summarised below:

16.1 Liquidity risk

The Church maintains sufficient cash and cash equivalents and internally generated cash flows to finance its activities.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. It is expected that all liabilities will be paid at their contractual maturity. The other payables are with short term durations.

<u>Analysis of financial instruments by remaining contractual maturities</u>

The table below summarises the maturity profile of the Club's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2019			
	Carrying amount S$	Contractual cash flows S$	One year or less S$	One to five years S$
Financial assets				
Cash and cash equivalents	998,976	998,976	998,976	-
Other receivables	7,300	7,300	7,300	-
Total undiscounted financial assets	1,006,276	1,006,276	1,006,276	-
Financial liabilities				
Other payables	22,697	22,697	22,697	-
Lease liabilities (Note 12)	22,429	22,429	22,429	-
Total undiscounted financial liabilities	45,126	45,126	45,126	-
Total net undiscounted financial assets	961,150	961,150	961,150	-

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

16. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

16.1 Liquidity risk (continued)

	2018			
	Carrying amount S$	Contractual cash flows S$	One year or less S$	One to five years S$
Financial assets				
Cash and cash equivalents	947,876	947,876	947,876	-
Other receivables	24,287	24,287	24,287	-
Total undiscounted financial assets	972,163	972,163	972,163	-
Financial liabilities				
Other payables	29,515	29,515	29,515	-
Total undiscounted financial liabilities	29,515	29,515	29,515	-
Total net undiscounted financial assets	942,648	942,648	942,648	-

16.2 Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2019 S$	2018 S$
Financial assets measured at amortised cost;		
Cash and cash equivalents	998,976	947,876
Other receivables (excluding prepayments)	7,300	23,085
Total financial assets measured at amortised cost	1,006,276	970,961
Financial liabilities measured at amortised cost;		
Other payables	22,697	29,515
Lease liabilities	22,429	-
Total financial liabilities measured at amortised cost	45,126	29,515

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

17. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Church has adopted all the new and revised standards which are relevant to the Church and are effective for annual financial periods beginning on or after 1 January 2019. The adoption of these standards did not have any material effect on the financial performance or position of the Church.

FRS 116 *Leases*

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Church adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Church elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Church applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The Church has lease contracts for office equipment. Before the adoption of FRS 116, the Church classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 January 2019 is disclosed in Note 2(h).

Upon adoption of FRS 116, the Church applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2(h). The standard provides specific transition requirements and practical expedients, which have been applied by the Church.

Leases previously accounted for as operating leases

The Church recognised right-of-use assets and lease liabilities for those leases previously classified as operating lease, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

17. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (CONTINUED)

Adoption of new and revised standards (continued)

The Church also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- Applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:

- Right-of-use assets of S$27,456 were recognised; and
- Additional lease liabilities of S$27,456 were recognised.

Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 *Definition of Material*	1 January 2020

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

18. LAND TITLE

The title of the land where the church building is situated does not belong to the church. Should the land owner decide to recall the land, the church building could become non-existent. There is no immediate threat on the existence of the church building.

19. AFTER YEAR EVENT – COVID-19

The World Health Organisation declared Covid-19 outbreak as a pandemic on 11 March 2020. The situation is fast evolving, uncertain & fluid. We are uncertain if the pandemic will have any impact on the financial position of the church in the coming months.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2019

20. COMPARATIVE INFORMATION

The Prior year's comparative figure were based on the church's audited accounts for the financial year ended 31 Decmber 2018.

21. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Church for the year ended 31 December 2019 were authorised for issue by the Management Committee on the date statement by the Management Committee.