

ABUNDANT GRACE PRESBYTERIAN CHURCH
(UEN No. T13SS0122H)

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

ANNUAL REPORT AND AUDITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

CHC & ASSOCIATES
Public Accountants and Chartered Accountants

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 : Ms. Lee Lai Moi
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

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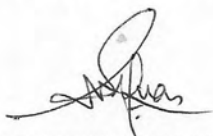
STATEMENT BY THE MANAGEMENT COMMITTEE

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 2021 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



.....
Seah Cheng Xin Esmond
Treasurer

Singapore

Date: 01 APR 2022

**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 2021**, 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 2021 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: 01 APR 2022

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 2021**

	Note	<u>2021</u> S\$	<u>2020</u> S\$
Income			
Contribution from members		270,081	250,273
Sunday offering		120,011	106,030
Mission fund		36,100	56,872
Thanksgiving		153,406	22,491
After school centre income		61,493	53,308
Other income	4	34,960	98,426
		<u>676,051</u>	<u>587,400</u>
Less: Operating expenses			
Advertisement		558	558
After school expenses		91,167	89,864
Auditor's remuneration		2,550	2,550
Bank service charge		140	76
Book and publications		599	690
Church activities		13,610	17,463
Courses and seminar		323	-
Computer expense		-	224
Depreciation of property, plant and equipment	8	46,344	46,095
Depreciation of right-of-use asset	9(a)	4,979	6,366
Donation		1,388	210
Employee Benefits		271,290	247,760
Equipment rental		1,525	-
General expenses		454	942
Insurance		5,982	4,046
Interest expense on lease liabilities		613	1,125
Meals and refreshment		16	1,311
Medical fee		1,546	2,780
Mission expenditure		19,002	26,801
Preaching expenses		1,200	950
Printing, postage and stationary		533	655
Property tax		14,900	14,900
Repair and maintenance		16,870	11,094
Subscriptions		7,576	8,181
Telephone		4,378	4,657
Upkeep of motor vehicle		4,455	4,743
Utilities		10,365	9,911
		<u>522,363</u>	<u>503,952</u>
Net surplus for the financial year		<u>153,688</u>	<u>83,448</u>

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 2021**

	Note	<u>2021</u> S\$	<u>2020</u> S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,375,499	1,148,703
Other receivables	7	6,560	13,638
		<u>1,382,059</u>	<u>1,162,341</u>
Non-current assets			
Property, plant and equipment	8	357,195	401,740
Right-of-use asset	9(a)	-	17,427
		<u>357,195</u>	<u>419,167</u>
TOTAL ASSETS		<u>1,739,254</u>	<u>1,581,508</u>
LIABILITIES AND EQUITY			
Current liabilities			
Other payables	10	27,651	25,961
Lease liabilities	9(b)	-	5,972
		<u>27,651</u>	<u>31,933</u>
Non-current liabilities			
Lease liabilities	9(b)	-	12,360
		<u>27,651</u>	<u>44,293</u>
Funds			
Accumulated fund	11	1,472,933	1,319,245
Building fund	12	138,670	117,970
Community service fund	13	100,000	100,000
		<u>1,711,603</u>	<u>1,537,215</u>
TOTAL LIABILITIES AND EQUITY		<u>1,739,254</u>	<u>1,581,508</u>

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

	Acumulated fund	Building fund	Community service fund	Total
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
At 01.01.2020	1,235,797	93,770	100,000	1,429,567
Donations for the financial year	-	24,200	-	24,200
Net surplus for the financial year	<u>83,448</u>	<u>-</u>	<u>-</u>	<u>83,448</u>
At 31.12.2020/01.01.2021	1,319,245	117,970	100,000	1,537,215
Donations for the financial year	-	20,700	-	20,700
Net surplus for the financial year	<u>153,688</u>	<u>-</u>	<u>-</u>	<u>153,688</u>
At 31.12.2021	<u>1,472,933</u>	<u>138,670</u>	<u>100,000</u>	<u>1,711,603</u>

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

	Note	<u>2021</u> S\$	<u>2020</u> S\$
Cash flows from operating activities			
Net surplus for the financial year		153,688	83,448
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	5	46,344	46,095
Depreciation of right-of-use asset	9(a)	4,979	6,366
Interest expenses		613	1,125
		205,624	137,034
<u>Changes in working capital:</u>			
Other receivables		7,078	(6,338)
Other payables		1,690	3,264
Cash generated from operations		214,392	133,960
Interest paid		(613)	(1,125)
Net cash generated from operating activities		213,779	132,835
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,799)	(1,289)
Recognition of right-of-use asset	9(a)	-	(1,921)
Modification of right-of-use asset	9(a)	12,448	-
Net cash generated from/(used in) investing activities		10,649	(3,210)
Cash flows from financing activities			
Building fund		20,700	24,200
Recognition of lease liabilities		-	1,570
Payment of principal portion of lease liabilities	9(b)	(5,661)	(5,667)
Modification of lease liabilities	9(b)	(12,671)	-
Net cash generated from financing activities		2,368	20,103
<u>Cash and bank balances</u>			
Net increase in cash and bank balances		226,796	149,728
Cash and bank balances at beginning of financial year		1,148,703	998,976
Cash and bank balances at end of financial year		1,375,499	1,148,703
<u>Per books:</u>			
Cash and bank balances	6	1,375,499	1,148,703
		-	-

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)

NOTES TO THE FINANCIAL STATEMENTS – 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

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

2.1 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 on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S\$), which is the Church’s functional currency.

2.2 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 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Church.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendment to FRS 116 Leases: Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classifications of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements and FRS Practise Statement 2: Disclosure of Accounting policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single Transaction	1 January 2023

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

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 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.

2.6 Employee benefits

(a) 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.

(b) 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.

2.7 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.

2.8 Financial instruments

(a) **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.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments (continued)

(a) Financial assets (continued)

Initial recognition and measurement (continued)

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.

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 measurements

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 amortised 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.

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments (continued)

(b) 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.

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.

Derecognition

A financial liability is derecognised 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.

2.9 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-months (a 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).

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of financial assets (continued)

For other 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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Property, plant and equipment (continued)

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.

2.11 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, where applicable, 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 group 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.

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.

2.12 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.

As 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.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Leases (continued)

As lessee (continued)

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.

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 2.11.

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.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Leases (continued)

As lessee (continued)

Lease liabilities (continued)

Short-term leases and leases of low-value assets

The Church applies the short-term lease recognition exemption to its short-term leases that have lease term of 12 months or less. It also applies the lease of low-value assets recognition exemption to leases 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.

2.13 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.

2.14 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.

2.15 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.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 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. 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 at the reporting period.

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.

Key sources of estimation uncertainty

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:

a. Depreciation of property, plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The management estimates the useful lives of these assets to be 5-50 years. The carrying amount of the Church's property, plant and equipment is disclosed in Note 8 to the financial statement. Changes in the expected level of usage and technological development could impact the economic useful lives and residual values of these assets. Therefore, future depreciation charges could be revised.

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NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

b. Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss.

The key assumptions for the value in use calculation are those regarding the growth rates and expected change to selling price and direct costs during the year and a suitable discount rate. The carrying amount of the Church's property, plant and equipment is disclosed in Note 8 to the financial statement.

4. OTHER INCOME

	<u>2021</u>	<u>2020</u>
	S\$	S\$
*Government grants	22,743	77,305
Modification of FRS 116 - Early termination	929	-
Special donation	11,288	21,121
	<u>34,960</u>	<u>98,426</u>

*Government grants is inclusive of Jobs Support Scheme grant amounting to S\$14,481 (2020: S\$54,450). Jobs Support Scheme grant is provided by the Government for wage support for the employers to retain their local employees during the period of economic uncertainty.

5. 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 support 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 year ended 31 December 2021.

The Church is not subjected to externally imposed capital requirements.

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NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

6. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Cash at bank	1,375,499	1,147,134
Cash on hand	-	1,569
	<u>1,375,499</u>	<u>1,148,703</u>

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

7. OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Amount receivable from members	5,490	11,740
Amount receivable from others	-	48
Deposits	1,070	1,850
	<u>6,560</u>	<u>13,638</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

8. PROPERTY, PLANT AND EQUIPMENT

	Church building S\$	Motor vehicle S\$	Renovation and upgrading S\$	Furniture and other equipment S\$	Total S\$
Cost					
At 01.01.2020	250,000	100,800	585,190	185,616	1,121,606
Addition	-	-	-	1,289	1,289
At 31.12.2020/01.01.2021	250,000	100,800	585,190	186,905	1,122,895
Addition	-	-	-	1,799	1,799
At 31.12.2021	250,000	100,800	585,190	188,704	1,124,694
Accumulated depreciation					
At 01.01.2020	82,382	55,440	421,122	116,116	675,060
Depreciation	5,000	20,160	11,540	9,396	46,096
At 31.12.2020/01.01.2021	87,382	75,600	432,662	125,512	721,156
Depreciation	5,000	20,160	11,540	9,644	46,344
At 31.12.2021	92,382	95,760	444,202	135,156	767,500
Carrying amount					
At 31.12.2021	157,618	5,040	140,988	53,549	357,195
At 31.12.2020	162,618	25,200	152,528	61,393	401,740

9. 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

	<u>Office equipment</u> S\$
At 01.01.2020	21,872
Recognition of right-of-use assets	1,921
Depreciation	(6,366)
At 31.12.2020/01.01.2021	17,427
Depreciation	(4,979)
Modification of FRS 116 - Early termination	(12,448)
At 31.12.2021	-

During the year, the Church early terminate a lease for the photocopier, no new lease secured for a replacement.

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NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

9. LEASES (CONTINUED)

b. Leases liabilities

Reconciliation of liabilities arising from financing activities is as follows:

	01.01.2021	Modification of FRS 116 – Early termination	Cash flows	Non-cash changes		31.12.2021
	\$	\$	\$	Accretion of interest	Others	\$
	\$	\$	\$	\$	\$	\$
<u>Lease liabilities</u>						
- Current	5,972	(12,671)	(6,274)	613	12,360	-
- Non-current	12,360	-	-	-	(12,360)	-
Total	18,332	(12,671)	(6,274)	613	-	-

	01.01.2020	Under recognised of FRS 116 in 2019	Cash flows	Non-cash changes		31.12.2020
	\$	\$	\$	Accretion of interest	Others	\$
	\$	\$	\$	\$	\$	\$
<u>Lease liabilities</u>						
- Current	5,297	370	(6,792)	1,125	5,972	5,972
- Non-current	17,132	1,200	-	-	(5,972)	12,360
Total	22,429	1,570	(6,792)	1,125	-	18,332

c. Amounts recognised in profit or loss

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Depreciation of right-of-use assets	4,979	6,366
Interest expenses on lease liabilities	613	1,125
Total amount recognised in profit or loss	<u>5,592</u>	<u>7,491</u>

d. Total cash outflows

The Church had total cash outflows for leases for the the year amounted to S\$6,274 (2020: S\$6,792).

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NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

10. OTHER PAYABLES

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Accrued expenses	19,773	19,562
Deferred income	3,428	2,149
Other payable	200	-
Refundable deposit	4,250	4,250
	<u>27,651</u>	<u>25,961</u>

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.

11. ACCUMULATED FUND

Accumulated fund inclusive of S\$246,737 (2020: S\$229,640) belong to Mission Fund. Mission fund was established for mission purposes and activities

12. 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.

13. COMMUNITY SERVICE FUND

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

14. 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:

14.1 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.

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NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

14. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

14.1 Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

	2021			
	Carrying amount S\$	Contractual cash flows S\$	One year or less S\$	One to five years S\$
<u>Financial assets</u>				
Cash and cash equivalents	1,375,499	1,375,499	1,375,499	-
Other receivables	6,560	6,560	6,560	-
Total undiscounted financial assets	<u>1,382,059</u>	<u>1,382,059</u>	<u>1,382,059</u>	<u>-</u>
<u>Financial liabilities</u>				
Other payables	27,651	27,651	27,651	-
Lease liabilities	-	-	-	-
Total undiscounted financial liabilities	<u>27,651</u>	<u>27,651</u>	<u>27,651</u>	<u>-</u>
Total net undiscounted financial assets	<u>1,354,408</u>	<u>1,354,408</u>	<u>1,354,408</u>	<u>-</u>
	2020			
	Carrying amount S\$	Contractual cash flows S\$	One year or less S\$	One to five years S\$
<u>Financial assets</u>				
Cash and cash equivalents	1,148,703	1,148,703	1,148,703	-
Other receivables	13,638	13,638	13,638	-
Total undiscounted financial assets	<u>1,162,341</u>	<u>1,162,341</u>	<u>1,162,341</u>	<u>-</u>
<u>Financial liabilities</u>				
Other payables	25,961	25,961	25,961	-
Lease liabilities	18,332	18,332	5,972	12,360
Total undiscounted financial liabilities	<u>44,293</u>	<u>44,293</u>	<u>31,933</u>	<u>12,360</u>
Total net undiscounted financial assets	<u>1,118,048</u>	<u>1,118,048</u>	<u>1,130,408</u>	<u>(12,360)</u>

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

14. FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

14.2 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:

		<u>2021</u>	<u>2020</u>
		S\$	S\$
Financial assets measured at amortised cost	Note		
Cash and cash equivalents	6	1,375,499	1,148,703
Other receivables	7	6,560	13,638
Total financial assets measured at amortised cost		1,382,059	1,162,341
Financial liabilities measured at amortised cost			
Other payables	10	27,651	25,961
Lease liabilities	9(b)	-	18,332
Total financial liabilities measured at amortised cost		27,651	44,293

15. 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 than 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 their 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.

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2021

16. LAND TITLE

The title of the land where the church buildings 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.

17. EVENT OCCURING DURING AND AFTER REPORTING YEAR

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency due to a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Church’s financial condition, liquidity, and future results of operations.

Management is actively monitoring the global situation on its financial condition, liquidity, operations, supplier, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Church is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

18. COMPARATIVE INFORMATION

The prior year’s comparative figure were based on the church’s audited accounts for the financial year ended 31 Decmber 2020.

19. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Church for the year ended 31 December 2021 were authorised for issue by the Management Committee on the date statement by the Management Committee.