

HEBRON BIBLE-PRESBYTERIAN CHURCH

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2019**

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HEBRON BIBLE-PRESBYTERIAN CHURCH
(Registered in Singapore under the Societies Act)

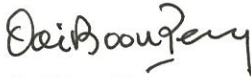
STATEMENT BY THE SESSION

In the opinion of the Session:

- (a) the financial statements of Hebron Bible-Presbyterian Church (the “Church”) as set out on pages 5 to 20 are properly drawn up in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the state of affairs of the Church as at 31 December 2019, and of the financial performance, changes in funds and cash flows of the Church for the 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 Session approved and authorised these financial statements for issue.

On behalf of the Session,



Ooi Boon Peng
Chairman

23 FEB 2020



Tang Kim Yee
Treasurer

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HEBRON BIBLE-PRESBYTERIAN CHURCH****Report on the Audit of the Financial Statements*****Opinion***

We have audited the accompanying financial statements of Hebron Bible-Presbyterian Church (the "Church") as set out on pages 5 to 20, which comprise the statement of financial position as at 31 December 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial 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 provision of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Church as at 31 December 2019 and of the financial activities, changes in funds and cash flows of the Church for the financial year ended on that date.

Basis for Opinion

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

Other Information

The Session is responsible for the other information. The other information obtained at the date of the auditor's report is the Statement by the Session as 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 on the other information obtained prior to the date of this auditor's report, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HEBRON BIBLE-PRESBYTERIAN CHURCH (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

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

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

In preparing the financial statements, the Session 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 the Session either intends to liquidate the Church or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HEBRON BIBLE-PRESBYTERIAN CHURCH (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

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

- Conclude on the appropriateness of the Session'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 Session regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the Church has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

23 February 2020

HEBRON BIBLE-PRESBYTERIAN CHURCH
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2019

	Note	Unrestricted funds \$	Restricted funds \$	2019 Total \$	2018 Total \$
Income					
Interest income		57,071	33,685	90,756	56,220
Offering and pledges		1,700,227	1,108,401	2,808,628	2,802,668
Share of management committee income	2(k)	117,873	—	117,873	119,130
Other income		74,427	—	74,427	60,662
Camp fee income	3	51,592	—	51,592	76,223
		2,001,190	1,142,086	3,143,276	3,114,903
Less expenditure					
Adult camp	3	71,165	—	71,165	124,354
Auditor's remuneration		3,745	—	3,745	3,745
Bank charges		566	154	720	783
Chinese ministry		101,906	—	101,906	105,863
Christian education		8,080	—	8,080	7,876
Depreciation of property, plant and equipment	6	63,204	436,584	499,788	498,883
Gifts		300	—	300	2,060
Insurance		10,474	—	10,474	9,731
Koinonia		120	—	120	4,610
Maintenance of church premises	4	115,966	—	115,966	106,838
Marriage and family ministry		1,666	—	1,666	2,070
Medical fees		6,295	—	6,295	7,371
Mission expenses		—	348,346	348,346	300,622
Motor vehicle expenses		4,918	—	4,918	3,681
New friends		—	—	—	46
Office expenses		9,786	—	9,786	13,116
Pastoral ministry		29,256	—	29,256	46,302
Postages		302	—	302	275
Printing and stationeries		8,645	—	8,645	10,314
Salaries and related costs	5	1,114,932	—	1,114,932	988,982
Service charges		4,325	—	4,325	12,400
Social outreach		41,427	—	41,427	53,439
Sunday school		17,808	—	17,808	19,577
Staff awards		573	—	573	323
Staff development		1,780	—	1,780	1,974
Sundry expenses		22,915	—	22,915	11,441
Telephone		1,775	—	1,775	1,385
Worship and prayer		36,413	—	36,413	36,436
Young Adults Fellowship		9,005	—	9,005	12,624
Youth		15,594	—	15,594	12,754
		1,702,941	785,084	2,488,025	2,399,875
Net surplus for the financial year		298,249	357,002	655,251	715,028

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

HEBRON BIBLE-PRESBYTERIAN CHURCH
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 \$	2018 \$
Non-current assets			
Property, plant and equipment	6	2,005,706	2,401,957
Cash and cash equivalents	8	–	1,600,000
Total non-current assets		2,005,706	4,001,957
Current assets			
Inventories		–	5,978
Sundry receivables, deposits and prepayments	7	283,747	252,037
Cash and cash equivalents	8	8,002,260	5,327,374
Total current assets		8,286,007	5,585,389
Total assets		10,291,713	9,587,346
Current liability			
Sundry payables and accruals		100,334	51,218
Total current liability		100,334	51,218
Net assets		10,191,379	9,536,128
Funds			
Unrestricted funds			
General fund	9	2,620,324	2,763,155
Sinking fund	10	2,352,711	2,134,877
		4,973,035	4,898,032
Restricted funds			
Restricted funds	11	5,218,344	4,638,096
Total funds		10,191,379	9,536,128

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

HEBRON BIBLE-PRESBYTERIAN CHURCH
(Registered in Singapore under the Societies Act)

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2019

	Unrestricted funds \$	Restricted funds \$	Total funds \$
Balance at 1 January 2018	4,677,166	4,143,934	8,821,100
Net surplus for the financial year	417,534	297,494	715,028
Net transfer	(196,668)	196,668	–
Balance at 31 December 2018	4,898,032	4,638,096	9,536,128
Net surplus for the financial year	298,249	357,002	655,251
Net transfer	(223,246)	223,246	–
Balance at 31 December 2019	4,973,035	5,218,344	10,191,379

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

HEBRON BIBLE-PRESBYTERIAN CHURCH
(Registered in Singapore under the Societies Act)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Net surplus for the financial year	655,251	715,028
Adjustment for:		
Depreciation of property, plant and equipment	499,788	498,883
Operating cash flows before working capital changes	<u>1,155,039</u>	<u>1,213,911</u>
Changes in working capital:		
Inventories	5,978	2,687
Receivables	(31,710)	(37,356)
Payables	49,116	4,895
Cash restricted in use	(989,147)	(917,076)
Net cash generated from operating activities	<u>189,276</u>	<u>267,061</u>
Cash flows from investing activity		
Purchases of property, plant and equipment, representing net cash used in investing activity	(103,537)	(35,450)
Net increase in cash and cash equivalents	85,739	231,611
Cash and cash equivalents at beginning of the financial year	<u>4,601,555</u>	<u>4,369,944</u>
Cash and cash equivalents at end of the financial year (Note 8)	<u>4,687,294</u>	<u>4,601,555</u>

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

HEBRON BIBLE-PRESBYTERIAN CHURCH
(Registered in Singapore under the Societies Act)

NOTES TO THE FINANCIAL STATEMENTS
For the financial 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 principal activity of the Church consists of sharing the gospel and teachings of Jesus Christ. The Church's principal place of business is at 10 Choa Chu Kang Street 52, Singapore 689284.

2. Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar, which is the functional currency of the Church, have been prepared in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgements and estimates made during the financial year.

The carrying amounts of cash and cash equivalents, sundry receivables, deposits and sundry payables and accruals approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Church has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs has no material effect on the financial statements except as disclosed below:

FRS 116 Leases

FRS 116 replaces the existing FRS 17: Leases for financial periods beginning 1 January 2019. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statement of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as FRS 116 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability.

The Church has made an upfront payment to secure the right-of-use of a 30-year leasehold land, where the Church building is situated. The carrying amount of right-of-use asset is classified within property, plant and equipment (Note 6).

2. Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2019 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Church.

b) Income

Offerings and pledges are recognised when received in cash.

Interest income is recognised on a time proportion basis using effective interest method.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis so as to write off the cost of assets over their estimated useful lives as follows:

	Years
Leasehold Land	30
Church Building	21 - 28
Furniture and Fittings	5
Office Equipment	3-5
AVA System and Musical Instruments	5
Motor Vehicle	5
Renovation	5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income.

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

d) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded as an income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

2. Significant accounting policies (cont'd)

e) Inventories

Inventories consisting of books are valued at the lower of cost and net realisable value with cost being generally determined on a first-in, first-out basis. Cost includes materials and related purchase costs. Where necessary, allowance is made for obsolete, damaged and slow-moving inventories to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated normal selling price in the ordinary course of business, less estimated costs necessary to make the sale.

f) Taxation

As a charity, the Church is exempt from tax on income and gains falling within Section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen for the Church during the financial year.

g) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Church commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Church has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Church classifies its financial assets at amortised cost. The classification is based on the Church's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

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

Subsequent measurement

Debt instruments include cash and cash equivalents, deposits and other receivables (excluding prepayments). These are subsequently measured at amortised cost based on the Church's business model for managing the asset and cash flow characteristics of the asset.

The Church measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

2. Significant accounting policies (cont'd)

g) Financial assets (cont'd)

Impairment

The Church recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. 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 impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

If the Church has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Church measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Church recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, bank and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

i) Financial liabilities

Financial liabilities include sundry payables and accruals. Financial liabilities are recognised on the statement of financial position when, and only when, the Church becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised and through the amortisation process.

j) Funds

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Church.

2. Significant accounting policies (cont'd)

k) Choa Chu Kang Bible Centre Management Committee

The Choa Chu Kang Bible Centre Management Committee ("MC") is set up to run the operations of the Choa Chu Kang Bible Centre. The assets, liabilities and the operating surplus or deficit of the MC up to 31 December 2007 were shared by the Church and Mount Hermon Bible-Presbyterian Church in the ratio of 60%:40% respectively. With effect from 1 January 2008, the expenses of the MC will continue to be borne by the Church and Mount Hermon Bible-Presbyterian Church on 60% and 40% up to the balance of the accumulated fund of the MC at 31 December 2007 and thereafter the operating surplus or deficit of the MC are shared in the ratio of 80%:20% respectively. The financial statements of the MC are incorporated into the financial statements of the Church using the proportionate method and the Church's share of net assets, except for property, plant and equipment, are accounted and presented within "sundry receivables" (Note 7). The Church's share of property, plant and equipment are incorporated on a line basis into the Church's property, plant and equipment (Note 6).

l) Employee benefits

Defined contribution plans

The Church contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employees' unutilised annual leave as at the end of the reporting period.

3. Adult camp

	2019 \$	2018 \$
Receipts	51,592	76,223
Expenses	(71,165)	(124,354)
Deficit	<u>(19,573)</u>	<u>(48,131)</u>

4. Maintenance of church premises

The Church's share of the operating expenses incurred by the Choa Chu Kang Bible Centre Management Committee on the basis as stated in Note 2(k) statements are as follows:

	2019 \$	2018 \$
Auditor's remuneration	1,541	1,541
Bank charges	87	87
Cleaning services	18,680	17,838
General expenses	1,087	948
Medical expenses	317	138
Insurance	4,046	3,261
Repairs and maintenance	53,300	46,147
Salaries and related expenses	35,722	35,722
Stationeries and supplies	313	362
Telephone charges	873	794
	<u>115,966</u>	<u>106,838</u>

5. Salaries and related costs

Included in salaries and related costs are the Church's CPF contributions totalling \$138,560 (2018: \$117,490). None of the staff receives more than \$100,000 in annual remuneration each.

6. Property, plant and equipment

	Leasehold land \$	Church building \$	Furniture and fittings \$	Office equipment \$	AVA system and musical instruments \$	Motor vehicle \$	Renovation \$	Total \$
2019								
Cost								
At 1 January 2019	3,560,040	7,655,638	473,914	87,442	187,631	65,946	174,100	12,204,711
Additions	-	-	63,582	9,683	3,960	26,312	-	103,537
Write off	-	-	-	(3,268)	-	(16,001)	-	(19,269)
At 31 December 2019	3,560,040	7,655,638	537,496	93,857	191,591	76,257	174,100	12,288,979
Accumulated depreciation								
At 1 January 2019	2,946,548	5,983,092	452,434	65,757	168,587	65,946	120,390	9,802,754
Depreciation charge	118,668	317,916	12,396	7,600	7,949	439	34,820	499,788
Write off	-	-	-	(3,268)	-	(16,001)	-	(19,269)
At 31 December 2019	3,065,216	6,301,008	464,830	70,089	176,536	50,384	155,210	10,283,273
Net carrying value								
At 31 December 2019	494,824	1,354,630	72,666	23,768	15,055	25,873	18,890	2,005,706
2018								
Cost								
At 1 January 2018	3,560,040	7,655,638	517,544	125,471	181,672	65,946	196,542	12,302,853
Additions	-	-	6,870	22,621	5,959	-	-	35,450
Write off	-	-	(50,500)	(60,650)	-	-	(22,442)	(133,592)
At 31 December 2018	3,560,040	7,655,638	473,914	87,442	187,631	65,946	174,100	12,204,711
Accumulated depreciation								
At 1 January 2018	2,827,880	5,665,176	492,623	117,365	160,461	65,946	108,012	9,437,463
Depreciation charge	118,668	317,916	10,311	9,042	8,126	-	34,820	498,883
Write off	-	-	(50,500)	(60,650)	-	-	(22,442)	(133,592)
At 31 December 2018	2,946,548	5,983,092	452,434	65,757	168,587	65,946	120,390	9,802,754
Net carrying value								
At 31 December 2018	613,492	1,672,546	21,480	21,685	19,044	-	53,710	2,401,957

Included in property, plant and equipment is right-of-use assets of \$494,824 (2018: \$613,492). The Church has made an upfront payment to secure the right-of-use assets of 30 year-old leasehold land.

6. Property, plant and equipment (cont'd)

The net carrying value of the Church's 80% (2018: 80%) share of Choa Chu Kang Bible Centre Management Committee's property, plant and equipment are as follows:

	Furniture and Fittings \$	Office Equipment \$	Total \$
At 31 December 2019	10,746	20,917	31,663
At 31 December 2018	14,865	21,451	36,316

7. Sundry receivables, deposits and prepayments

	2019 \$	2018 \$
Sundry receivables	114,010	76,369
Prepayments	33,705	29,821
Choa Chu Kang Bible Centre Management Committee ^(a)	134,032	141,847
Staff loan	2,000	4,000
	283,747	252,037

^(a) This represents the Church's share of 80% (2018: 80%) of Choa Chu Kang Bible Centre Management Committee's assets and liabilities (except property, plant and equipment which are accounted for separately in Note 6 to the financial statements) which comprise the following:

	2019 \$	2018 \$
<i>Current assets</i>		
Sundry receivables, deposits and prepayments	33,339	42,372
Bank and cash balances	102,234	106,790
	135,573	149,162
<i>Current liability</i>		
Sundry payables	(1,541)	(7,315)
	134,032	141,847

8. Cash and cash equivalents

	2019 \$	2018 \$
<i>Non-current</i>		
Fixed deposits	-	1,600,000
<i>Current</i>		
Bank and cash balances	1,902,260	2,427,374
Fixed deposits	6,100,000	2,900,000
	8,002,260	5,327,374

Fixed deposits are placed with banks, interest-bearing from 1.23% to 2.02% (2018: 1.23% to 1.35%) per annum and mature ranging from 3 to 7 months (2018: 2 to 18 months) after the end of the reporting period.

8. Cash and cash equivalents (cont'd)

Cash and cash equivalents in the statement of cash flow:

	2019 \$	2018 \$
Amount as shown above	8,002,260	6,927,374
Cash held in restricted funds	(3,314,966)	(2,325,819)
Cash and cash equivalents for statement of cash flows at end of year	4,687,294	4,601,555

9. General fund

	2019 \$	2018 \$
Balance at beginning of financial year	2,763,155	2,563,816
Net surplus for the financial year	271,515	396,007
Transfer to Missions fund (Note 11)	3,034,670	2,959,823
Transfer to Sinking fund (Note 10)	(223,246)	(196,668)
	(191,100)	-
Balance at end of financial year	2,620,324	2,763,155

10. Sinking fund

	2019 \$	2018 \$
Balance at beginning of financial year	2,134,877	2,113,350
Interest income	26,798	21,591
Expenditure of revenue nature	(64)	(64)
Net surplus for the financial year	26,734	21,527
Transfer from General fund (Note 9)	191,100	-
Balance at end of financial year	2,352,711	2,134,877

The purpose of the fund is to finance the replacement and repair and maintenance of all property, plant and equipment of the Church.

11. Restricted funds

2019

	Note	Balance at 1.1.2019 \$	Income \$	Expenditure \$	Transfers \$	Balance at 31.12.2019 \$
Development fund	(a)	2,341,556	1,015,360	(64)	–	3,356,852
Missions fund	(b)	10,500	126,726	(348,436)	223,246	12,036
Asset capitalisation reserve	(c)	2,286,040	–	(436,584)	–	1,849,456
Total restricted funds		4,638,096	1,142,086	(785,084)	223,246	5,218,344

2018

	Note	Balance at 1.1.2018 \$	Income \$	Expenditure \$	Transfers \$	Balance at 31.12.2018 \$
Development fund	(a)	1,419,875	921,745	(64)	–	2,341,556
Missions fund	(b)	1,435	113,109	(300,712)	196,668	10,500
Asset capitalisation reserve	(c)	2,722,624	–	(436,584)	–	2,286,040
Total restricted funds		4,143,934	1,034,854	(737,360)	196,668	4,638,096

a) Development fund

The purpose of the development fund is to finance major capital project.

b) Missions fund

The purpose of the missions fund is to support missions activities.

c) Asset capitalisation reserve

Specific donations given for the purchases of property, plant and equipment and to the extent utilised are capitalised in the relevant property, plant and equipment account and the corresponding credits are reflected in the asset capitalisation reserve account. The depreciation charge in the related assets is debited to the asset capitalisation reserve account.

12. Related party transactions

During the financial year, total salaries and related costs relating to 4 (2018: 4) pastors who are members of the Session are as follows:

	2019 \$	2018 \$
Salaries and related costs	352,329	346,048
CPF contributions	43,660	44,747
	395,989	390,795

13. Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amount as at the end of the reporting period are as follows:

	2019 \$	2018 \$
<i>Financial assets</i>		
Financial assets at amortised costs	8,252,302	7,149,590
<i>Financial liabilities</i>		
Sundry payables and accruals, at amortised cost	56,709	9,537

b) Financial risk management

The financial risk management of the Church is carried out on an informal basis by the Session. The Church's activities are only exposed to credit and liquidity risk. The Church does not have any significant exposure to foreign exchange risk and interest rate risk.

Foreign currency risk

The Church has no significant exposure to foreign exchange risk as its transactions, assets and liabilities are substantially denominated in Singapore dollar.

Interest rate risk

The Church has no significant exposure to interest rate risk as it has no significant interest-bearing assets or liabilities except for fixed deposits where interest income is not significant (Note 8).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Church. The Church manages these risks by monitoring credit collection and limiting the aggregate risk to any individual counterparty. As the Church does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statement of financial position.

The following sets out the Church's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Church has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

13. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Church compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Church considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Church considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results / key financial performance ratios of the debtor.

The Church regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Church presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Church has reasonable and supportable information that demonstrates otherwise.

Definition of default

The Church considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Church, in full.

Irrespective of the above analysis, the Church considers that default has occurred when a financial asset is more than 90 days past due unless the Church has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

13. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

As the Church does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of the financial instruments presented on the statement of financial position.

The credit loss for cash and cash equivalents, sundry receivables, deposits and prepayment (excluding prepayments) are immaterial as at 31 December 2019.

Liquidity risk

The Session exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

c) Fair values of financial instruments

The carrying amounts of financial assets and financial liabilities recorded in the financial statements of the Church approximate their fair values.

14. Funds management

The Church's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as a going concern.

There were no changes in the Church's strategies from 2018.

15. Authorisation of financial statements

The financial statements of the Church for the financial year ended 31 December 2019 were authorised for issue by the Session in accordance with a resolution dated 23 February 2020.