



Grace Assembly of God  
神召会恩典堂

63

Annual Business  
Meeting  
**2024**

# CONTENTS

01

Agenda of Meeting

02

Minutes of the 62<sup>nd</sup> Annual Business Meeting

05

Chairman & Honorary Secretary Message

10

Board Governance Report 2023/2024

12

Honorary Treasurer's Report

15

ABM Resolutions  
Resolution 5 & Resolution 6

19

Audited Financial Statements  
for the Financial Year Ended 31 December 2023

**Governing Language.** This Annual Report has been prepared in English. In the event any translation of this Annual Report is prepared for convenience or any other purpose, the English version shall prevail.

# 63<sup>rd</sup> Annual Business Meeting

## AGENDA

1. Opening
2. Chairman's Address
3. Confirmation and Acceptance of Minutes of the 62<sup>nd</sup> Annual Business Meeting
4. Honorary Secretary's Report
5. Honorary Treasurer's Report
6. Acceptance of Audited Financial Statements for the Financial Year Ended 31 December 2023
7. Election of Honorary Secretary for Session 2024-2026
8. Election of Executive Church Board Members for Session 2024-2026
9. Proposed Land Lease Renewal of Grace@BukitBatok
10. Proposed Appointment of New Trustee
11. Conclusion & Closing Prayer

# Minutes of the 62<sup>nd</sup> Annual Business Meeting (ABM)

**DATE :** May 19, 2023 (Friday)

**TIME :** 8 p.m.

**VENUE :** Grace@Tanglin (via Zoom)

**CHAIRMAN :** Rev Dr Wilson Teo

**SECRETARY :** Peter Lim

**RECORDING SECRETARY :** Megan Low

**REGISTERED VOTING MEMBERS :** 1357

**NO. OF VALID PROXY FORMS RETURNED :** 806

**HOST & INTERPRETER :** Pastor Steve Tan

**INTERPRETERS :** Pastor Isaac Chan,  
Rev Siew Woh Kit

## 1. Introduction (Pastor Steve Tan)

- 1.1 Pastor Steve Tan announced the agenda of the ABM and informed that the meeting proceedings would be recorded. He highlighted the procedures of the meeting, including the Q&A segment, and due to time constraints, only relevant and substantial questions would be answered and sought the members' understanding.
- 1.2 He proceeded to introduce the Chairman, the Honorary Secretary, and the Honorary Treasurer.

## 2. Chairman's Address (Rev Dr Wilson Teo, Interpreted by Rev Siew Woh Kit)

- 2.1 The Chairman thanked everyone for joining the 62<sup>nd</sup> ABM. He announced that 806 valid proxy forms were received. Besides seeking acceptance for last year's ABM minutes, financial statements and election of board members, there are no other resolutions.
- 2.2 In the Townhall session held on 29 April 2023, updates were made regarding the various previous ABM items that received members' mandate. The Chairman encouraged members to look out for next year's Townhall session, where there will be engagement on possible resolutions that might require members' attention. As Grace@BukitBatok's land lease

will expire in 2034, the Church will need to explore potential upgrade matters that will last till then, and members' approval will be sought, if needed.

- 2.3 The Chairman also gave thanks for members returning for onsite services, new visitors, as well as more than 200 new members who joined Grace Assembly's family. The resumption of the cafe ministry also contributed to a vibrant fellowship.
- 2.4 There are also promising ministry outcomes on the Digital Campus front. Based on weekly counts, Digital Campus serves the largest congregation online compared to the weekend services. The Church remains committed to reaching out and serving the spiritual needs of Gracians who cannot be onsite due to reasons such as travel or being physically unwell.
- 2.5 Grace Retreat was also resumed for English and Chinese congregations and received a good response even when held locally.
- 2.6 The Church is also closely monitoring the attendance trends of the services and will make adjustments to meet the spiritual needs of its members better.
- 2.7 Discipleship remains very important in the post-pandemic world, and the Church will launch different discipleship tracks over the

next two years, and more will be shared in the coming months.

- 2.8 The Chairman thanked everyone for the unwavering support of the Church since the pandemic and solicited Gracians' support for the Board and staff with many upcoming exciting developments.

### **3. Announcement of Acceptance of 61<sup>st</sup> ABM Minutes and Financial Statements for Financial Year Ended 31 December 2022 (Rev Dr Wilson Teo, Interpreted by Rev Siew Woh Kit)**

- 3.1 By proxy, the minutes of the 61<sup>st</sup> ABM was accepted with 97.1% in favour for the resolution.
- 3.2 By proxy, Financial Statements for the financial year ended 31 December 2022 were accepted with 97.6% in favour.

### **4. Honorary Secretary's Report for Year 2022 (Peter Lim, Interpreted by Pastor Steve Tan)**

4.1 Honorary Secretary expressed his thanks to everyone for attending the ABM and highlighted the report for 2022 which is included in the 62<sup>nd</sup> ABM Annual Report, pages 11-13. In summary, the Church has emerged stronger from COVID-19 and built digital, purposeful and enduring connections that helped us remain resilient and relevant in the post-pandemic world.

4.2 In 2022, several significant events happened globally, demonstrating what it meant to be a church in the post-pandemic world. The Honorary Secretary highlighted three events:

4.2.1 Inflation rose globally, and many felt the impact of rising prices. In this light, it is heartening to see the Church continue to be active in local missions through Grace Community Outreach and the strategic partnership with Reach Community Services Society. Some of these outreach programmes can be found in greater detail in the annual report. The cafe ministry also continues to be free for members and their guests.

4.2.2 In Sep 2022, the World Health Organisation declared the end of COVID-19 was in sight as many countries, including Singapore, have removed lockdowns and lifted restrictions. As a church once

known as one of the largest religious clusters, it was heartening to see the return of members. The work of the staff and volunteers was also acknowledged.

4.2.3 There were some events that led to a global crisis with food and energy shortages, and many losing their homes. The Church has always reached out through Grace Missions to help in relief efforts in countries such as Ukraine and Turkey. He thanked members who gave generously for the Church to be the salt and light of the world in times of need.

4.3 The Honorary Secretary thanked the Chairman, pastors, staff team, fellow ECB and committee members, and Gracians for all they are doing and giving to the Lord.

### **5. Honorary Treasurer's Report for Year 2022 (Lionel Koh, Interpreted by Pastor Isaac Chan)**

5.1 The total income was \$12.9 million with operating expenses of \$10.7 million, which resulted in a surplus of \$2.2 million. For the income, the Honorary Treasurer thanked the members for their generous giving, which saw an increase of \$1.1 million from 2021. In addition, there was an increase in interest income of \$0.2 million as interest rates started to rise in 2022, which offset the decline in government grants.

5.2 Operating expenditure increased by \$1.3 million primarily due to facilities maintenance, higher headcounts, ministry activities and cyber security improvements.

5.3 There was also a capital expenditure of \$2.3 million. Below are some of the major items:

#### **Grace@Tanglin**

- Level 5 Renovations	\$0.7M
- Bethel Hall LED Wall Replacement	\$0.4M
- Bethel Hall Video Cameras/ Intercom System Replacement	\$0.5M
- Air Conditioning System Improvement	\$0.3M

#### **Grace@BukitBatok**

- Personal Monitor Mixer Replacement	\$0.1M
- CCTV Upgrade	\$0.1M

**Others** \$0.2M

5.4 For Grace Missions, the total income was \$1.9 million with expenses of \$1.8 million, resulting in a surplus of \$0.1 million. The higher expenditure compared to 2022, was due to increased mission trips with the reopening of borders, more projects, and people cost to strengthen the team.

5.5 In closing, the Honorary Treasurer expressed that 2022 had been a strong year financially and expressed his appreciation for the continued support of the members, as well as the Finance Committee, who have laboured behind the scenes to steward the Church's funds.

**6. Announcement of Election Results of Honorary Treasurer for Session 2023-2025 (Rev Dr Wilson Teo, Interpreted by Rev Siew Woh Kit)**

6.1 The Chairman duly announced the election results of the Honorary Treasurer. Lionel Koh was re-elected the Honorary Treasurer for Session 2023-2025.

6.2 Election of Honorary Treasurer 2023 – 2025 (Quorum: 806)

No.	Candidate	Votes	Person Elected
1.	Lionel Koh	485	Lionel Koh
2.	Regina Yap	300	
	Blank/Spoilt	21	
	<b>Total</b>	<b><u>806</u></b>	

6.3 Lionel thanked the members for entrusting him with the treasurer role for another term. He also appreciated his wife for her support in releasing him to serve on the Executive Church Board.



**Rev Dr Wilson Teo**  
Chairman

**7. Announcement of Election Results of Executive Church Board Members for Session 2023-2025 (Rev Dr Wilson Teo, Interpreted by Rev Siew Woh Kit)**

7.1 The Chairman duly announced the election results of the newly elected Executive Church Board members for Session 2023-2025.

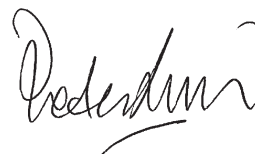
7.2 Election of Executive Church Board Members (Quorum 806):

No.	Candidate	Votes	Person Elected
1.	Ajinderpal Singh	544	Ajinderpal Singh
2.	Li Lit Siew	534	Li Lit Siew
3.	Clyde Ong	426	
4.	Justin Wong	411	
5.	Yong Weng Hong	435	Yong Weng Hong
6.	Regina Yap	568	Regina Yap
	Blank/Spoilt	306	
	<b>Total</b>	<b><u>3224</u></b>	

7.3 The Chairman thanked all the candidates for stepping up to serve the Church as well as the outgoing Board Members, Simon Bay and Gladys Lee, for serving their term faithfully and contributing to the Executive Church Board.

**8. Conclusion and Closing Prayer by Rev Dr Wilson Teo (Interpreted by Rev Siew Woh Kit)**

With no other business, the Chairman led the meeting in a closing prayer for the Executive Church Board Members. He declared the 62<sup>nd</sup> ABM closed at 8.47pm.



**Peter Lim**  
Honorary Secretary

# Chairman & Honorary Secretary Message



Shalom Gracians!

2023 was a year of rejuvenation for Grace Assembly. We are greatly encouraged by how Gracians have been returning for onsite services while being strengthened by the Grace Digital Campus to ensure we have access to resources to grow our faith daily. We have been very excited to meet new families and individuals who have joined us. We are also thankful that our Grace Group network has been expanding and growing to support Gracians in rooting themselves within a strong Biblical community.

2023 saw the return of our overseas Grace Retreat where we had both the Chinese and English congregations gathered in Kuala Lumpur. We thoroughly enjoyed the extended time of fellowship and being refreshed by the teaching of God's Word and ministered by God's presence during the altar time. We also did thorough sermon series on the books of Joshua and Revelation last year. Even as we recognised the urgency of the last days coming upon us, we hope the sermons encouraged us to stand strong and courageous in our faith!

With the pandemic fully behind us, the Executive Church Board (ECB) and the staff team have been seeking God's mind and planning towards the future of our Church – whether for the weekend service experience or for the future developments of our two campus buildings. We have already made some immediate changes to our service and ministry timings for better manpower and resource allocation across our staff and serve teams! Thank you to all who have been serving faithfully and tirelessly each weekend!

We also want to thank all Gracians for your support for the resolutions tabled at the ABM in the last few years. The resolutions were tabled with the future of Grace Assembly in mind; specifically, that the Church can continue to be a blessing to the neighbourhoods surrounding our two buildings, while also prioritising the spiritual needs and interests of Gracians as well. The developments to the Church arising from these resolutions will ensure Grace Assembly's agility to grow while also being prepared to meet the challenges that may arise in uncertain times.







We also want to thank all Gracians for your support for the resolutions tabled at the ABM in the last few years... these resolutions will ensure Grace Assembly's agility to grow while also being prepared to meet the challenges that may arise in uncertain times.



We are thankful that much progress has been made since these resolutions were passed. These include:

- The LED wall in Bethel hall at Grace@Tanglin has been replaced.
- As announced previously at our weekend services and on our website, the authorities approved the proposed amendments to the Church Constitution in October 2022. These amendments have made provisions for the Church to remain relevant in the current and foreseeable environment.
- Since the completion of the renovation of our Grace@Tanglin Level 5 office space, additional rooms have been carved out for services and ministries. Our youths and Grace Filipino Ministry use these rooms weekly.
- The Grace Digital Campus has established a stable viewership weekly with close to 600 viewers at prime time. Our media upgrades have enabled us to have a more engaging online service and prepare more resources for daily discipleship that all Gracians can enjoy.
- In 2024, we will roll out our Integrated Church Management System (iCMS) to enable greater ease and effective management of the Church's activities and resources. The iCMS has been in development and testing for the last 2 years.

Disciple-making will continue to be a key focus for Grace Assembly. With the launch of the Disciple-Maker track (DMT) in 2024, we want to encourage you to join us on this systematic pathway. The DMT is available for every Gracian who desires to obey the Great Commission to be disciple-makers. We look forward to seeing even more intentional relationships and communities in our church, so that Grace Assembly can continue being a church that has "More People, More Like Jesus!"

In His Service,

**Rev Dr Wilson Teo**  
Senior Pastor  
Chairman, Executive Church Board

**Peter Lim**  
Honorary Secretary, Executive Church Board

# 2023 AT A GLANCE

## MISSIONAL DISCIPLESHIP

First Time Guests

# 1169

### Grace Retreat

Our first overseas retreat since 2019



Grace Groups

# 228

Discipleship (GDI) classes

# 32

GDI classes participants

# 263



Water Baptisms

# 113

## NEXT GENERATION

# 556

participated in  
Young Adults Summit,  
Youth Camps &  
Grace Kids Camp



Onsite Grace Wellness  
Tue, Exercise & Care

# 457

# 240

households  
reached  
through  
monthly  
minimarts



## COMMUNITY OUTREACH

# 27

 couples

Marriage Preparation & Discipleship Programme

## FAMILY & MARRIAGE

# 30

 couples

Chinese Marriage renewal vows

# 13

 Young Working Adults & Families

Marriage session at Grace Retreat



# 23

Marriages conducted

## MISSIONS



# 103

  
missions projects

# 57

 missions trips

# 251

 Missions Trippers  
throughout 14 countries

# Board Governance Report 2023/2024

## General Board Governance

Grace Assembly of God (“the Church”) is a registered charity under the Registrar of Societies. The Church is governed by the approved Church Constitution and complies with the governance provision of the Charities Act and regulations.

As a Charity, the Church also applies the principles and practices of governance and management listed in the Code of Governance published by the Charity Council.

## Board Roles and Composition

The affairs of the Church are managed by the Executive Church Board (“ECB”) comprising the Senior Pastor, the Honorary Secretary, the Honorary Treasurer and elected Board members.

The ECB has full authority to act for and represent the Church in all matters. The ECB also carries out and executes the decisions and resolutions arrived at, carried, or passed at a Business Meeting of the members.

The financial budget of the Church is approved annually by the ECB and reviewed during the Board meetings. The ECB also ensures adequate resources are deployed for the various ministries and programmes.

The ECB members do not receive remuneration for their services on the Board. They have signed the Code of Conduct, which contains the compliance for the undertaking and the declaration of Conflict of Interest.

## Whistle-blowing Policy

Grace Assembly of God is committed to a high standard of compliance with statutory requirements and the Church has a whistle-blowing policy and reporting channel as displayed on the website of Grace Assembly of God.

The purpose of the policy is to provide an avenue for the staff and volunteers to raise concerns and define a process to handle these concerns, including the compliance with the Personal Data Protection Act (PDPA) 2012 concerning the collection, collation and use of the personal information.

## Board Committees

The ECB has appointed several working committees to oversee the various functions of the Church. Each working committee was given clear terms of reference and has at least one Board member representation, where possible.

**The Board Committees for 2023/2024 are listed below:**

### Executive Committee (EXCO) of the ECB:

Rev Dr Wilson Teo, Chairman/Senior Pastor  
Peter Lim, Honorary Secretary  
Lionel Koh, Honorary Treasurer  
Li Lit Siew, ECB Member

### Finance & Stewardship Committee:

Lionel Koh, Chair  
Yong Weng Hong, ECB Member  
Gladys Lee  
Cornelius Ong  
Tan Siew Poh  
Lucas Won

**Human Resource Committee:**

Ho Wan Leng, Chair  
 Cham Lee Fin, ECB Member  
 Deanna Ong

**Estate and Facilities Committee:**

Kenneth Lek, Chair  
 Edward Ang  
 Neo Kim Teck  
 Gabrielle Yip

**Grace Missions Committee:**

Pastor Steve Tan, Chair  
 Lim Tai Pong, Secretary  
 Tan Siew Poh, Treasurer  
 Victor Yen, ECB Representative  
 Paul Chua  
 Neo Hong Jye  
 Ng Chee Keong  
 Yvonne Low

**Information Technology Committee:**

Wilfred Tan, Chair  
 Jonathan Ang  
 Patrick Lee  
 Tay Yi Hang

**Audit & Risk Committee:**

Regina Yap, Chair  
 Chua Tiong Chin  
 Khor Siew Kim  
 Lo Wei Shih  
 Clyde Ong  
 Owen Wong

**Legal Advisory Committee:**

Ajinderpal Singh, Chair  
 Felix Liew  
 Scott Tan

**Media Upgrade Project Committee:**

Pastor John Lin, Chair  
 Li Lit Siew, ECB Representative  
 Pastor Victor Toh

**Board Meetings**

There were 9 meetings during the 2023/2024 session as of 31 March 2024. ECB members' attendance at the scheduled ECB meetings were as follows:

Board Member	Designation	Attendance at 2023/2024 Board Meetings
Rev Dr Wilson Teo	Chairman	9
Peter Lim	Honorary Secretary	9
Lionel Koh	Honorary Treasurer	9
Ajinderpal Singh	Deacon	5
Cham Lee Fin	Deacon	9
Ho Wan Leng	Deacon	8
Kenneth Lek	Deacon	8
Li Lit Siew	Deacon	9
Regina Yap	Deacon	9
Victor Yen	Deacon	9
Yong Weng Hong	Deacon	9

# Honorary Treasurer's Report 2023



To love those who hate you

Committing to reach out to those who are Christless

Share the love & grace of Christ as your only friends

To be a committed disciple under the Lord as I seek myself to be guided by the Holy Spirit. At the same time, to be sharing my own transformation journey.

## SHARE

COMMIT TO MEETINGS WITH FRIENDS WHO DO NOT KNOW CHRIST AT LEAST TWICE THIS YEAR

Commit to sharing the gospel with my pre-relationship friends. Share Christ-love!

Share personal testimonies

Share my wealth of experiences

Relational evangelism in classrooms & friends in school

Share my life testimonies in every gathering. Try to share with my family members who are saved.

Be very intentional in sharing Christ with non-believers across my life path!

SHARE with Preachers, Pastors, Creationists...

Share the gospel to those who are only half-converted. Commit to tell your friends about Christ. Share the love of Christ with those who are half-converted. Share the love of Christ with those who are half-converted.

Share my testimonies with those who are half-converted. Share my testimonies with those who are half-converted. Share my testimonies with those who are half-converted.

Share with believers to get a strong faith of my personal testimonies & prayers with those who are half-converted.

Share with those who are half-converted. Share with those who are half-converted. Share with those who are half-converted.

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## MOVE DEEPER - KEY GROWTH AREAS (KWRSS)

When we become more like Jesus, we will grow deeper in every area of our life. These areas of our life are the Key Growth Areas, namely:

**KNOW**  
Core Beliefs  
"How are we growing in God's Word?"

**WALK**  
Spiritual Practices  
"How is our walk with God?"

**RELATE**  
Relational Discipleship  
"How is our love for people?"

**SERVE**  
Stewardship  
"How are we contributing to the Body of Christ?"

**SHARE**  
Outreach  
"How are we sharing God's love with others?"

If we are growing healthily, we will grow in all these areas. Not just one or two. We need to get physically healthier. There are different ways to contribute to this—whether it's a donation, service, or more.

Similarly, awareness of these Key Growth Areas will grow deeper—to become more like Christ in our lives & being.

Join us on our disciple-making pathway!

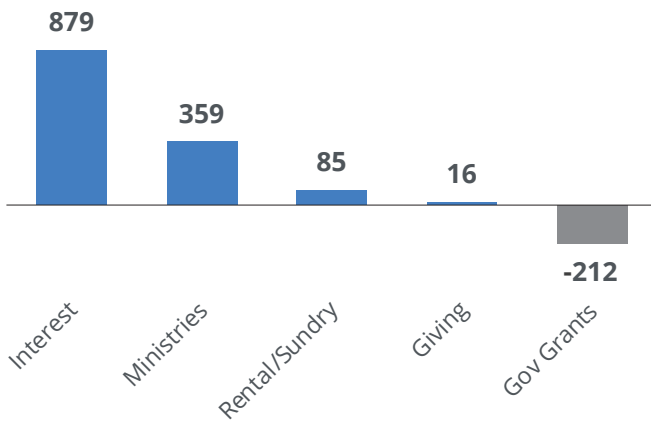


## 1. Surplus and Income

**SURPLUS**  
**\$2.2M**  
 ↑ \$0.1M vs 2022

**TOTAL INCOME**  
**\$14.0M**  
 ↑ \$1.1M vs 2022

### Changes in Income vs 2022 (\$ 000)



Dear Gracians

I am pleased to share that the year 2023 concluded with a positive net surplus of \$2.2 million. This was possible as our income growth kept pace with our expenditure increase.

The total income for the year reached \$14.0 million, showing a \$1.1 million rise from the previous year, largely supported by your generous contributions totaling \$11.9 million.

Thanks to the higher interest rates prevailing in 2023, we generated \$1.2 million in interest income from our investments\* in Treasury Bills and fixed deposits, which was \$0.9 million more than in 2022.

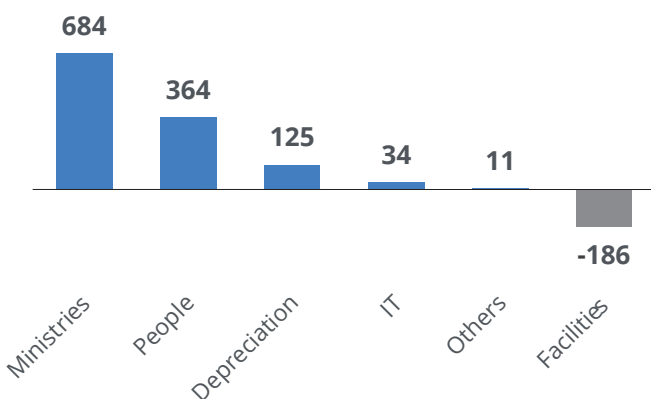
Additionally, the Ministries' income increase was primarily driven by \$0.3 million in collections from the resumption of the Grace Retreat, which served to offset the corresponding rise in Retreat-related expenses.

## 2. Operating Expenses and Capital Investments

**OPERATING EXPENSES**  
**\$11.8M**  
 ↑ \$1.0M vs 2022

**CAPEX**  
**\$1.7M**  
 ↓ \$0.6M vs 2022

### Changes in Expenses vs 2022 (\$ 000)



Operating expenses for the year reached \$11.8 million, reflecting a \$1.0 million increase compared to the previous year. This growth was primarily driven by higher Ministries and People costs offset by lower Facilities expenses.

The higher Ministries expenses were largely due to \$0.5 million from the resumption of the Grace Retreat, with the balance from increased ministry activities and financial assistance disbursed.

The increase in People costs by \$0.4 million were largely due to a slight increase in headcount and salary growth.

Capital expenditures for 2023 totaled \$1.7 million, with \$1.2 million allocated to the ongoing execution of the Grace Digital Strategy, and the remaining funds directed towards the development of the iCMS, enhancements to inter-campus network connections, procurement and installation of CCTVs and people counting systems, as well as expenditures in Media, IT, and Facilities equipment.

\*It is the Church's policy to invest surplus funds in a conservative and prudent manner with the objectives of preserving capital, maximising returns whilst ensuring adequate liquidity. As such, the only allowable instruments are fixed deposits and fixed income instruments issued by the Singapore Government and local Statutory Boards.

### 3. Grace Missions

#### TOTAL INCOME

**\$2.1M**

↑ \$0.2M vs 2022

#### TOTAL EXPENSES

**\$2.1M**

↑ \$0.3M vs 2022

#### SURPLUS

**\$0.02M**

↓ \$0.08M vs 2022

Grace Missions concluded the year 2023 on a financially stable note, with a balanced budget where income equaled expenses. Income saw a growth of \$0.2 million, reaching \$2.1 million, thanks to a rise in mission contributions and interest earnings.

Concurrently, expenses rose by \$0.3 million to \$2.1 million, attributed to more frequent mission trips, expanded projects, increased aid relief efforts, and higher People costs.

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I would like to extend my heartfelt gratitude to every member of our Gracian community in contributing to our financial health and our ability to further the mission God has given us. Finally, I would like to appreciate the ECB, Finance & Stewardship Committee, and Finance Staff for their support and collaboration to ensure the wise administration of our finances. My sincere thanks to all!

**Lionel Koh**

Honorary Treasurer, Executive Church Board



# 63 ABM RESOLUTIONS

## No. 5: Proposed Land Lease Renewal of Grace@BukitBatok

### Motion:

That the Executive Church Board (ECB) holding office at the relevant time, to be authorised:

- (i) To take up any offer from the Singapore Land Authority that may be made to Grace Assembly of God (Grace AG) for the land lease renewal of Grace@BukitBatok, 1 Bukit Batok West Avenue 4, Singapore 659125.
- (ii) To expend an amount not exceeding Singapore Dollars Ten million (S\$10,000,000/-) for any land lease renewal of 1 Bukit Batok West Avenue 4, Singapore 659125 for a further term of at least 20 years from the renewal date.

### **Explanatory Notes:**

#### Background:

The site at 1 Bukit Batok West Avenue 4, Singapore 659125, on which Grace@BukitBatok is built, was awarded to Grace Assembly of God in August 2004. The Church was given a 30-year lease on the land and we will hit the 20-year mark this year in 2024.

The ECB is aware of the wear and tear of Grace@BukitBatok over its 20-year use. We have also heard various feedback on areas for improvement, and the ECB has been deliberating on refreshing the premises of Grace@BukitBatok to enhance its facilities for Gracians and to create more spaces for bonding and community life.

With the ongoing development of the Tengah estate, we envisage that Grace@BukitBatok is strategically positioned to welcome more visitors and reach out to

more people in the neighbourhood. In preparation, we will need to create more spaces to meet the needs of the various age groups and families who will be residing nearby throughout the week.

With the release of the Revised Land Allocation and Pricing Framework for Place of Worship in May 2023, we can now apply to renew our lease for Grace@BukitBatok in advance and at a potentially lower cost. The revised framework prices the site at the fair market value pre-determined by the Chief Valuer and is expected to be lower than the previous tendering system. For lease renewals, Grace AG can proceed directly with the renewal procedures without going through a ballot with other religious organisations.

Recent press release in Dec 2023, has seen applicants securing fresh 30-year leases on their expired leases at close to half of the sum of what they would have paid for under the previous system.

## Rationale and Plans Ahead

The ECB posits that we are at a favourable juncture where we can converge our plans on renewing the lease on Grace@BukitBatok and the plans for its refresh. We hope to extend the foreseeable runway and have surety of the lease duration, before carrying out any major works to refresh Grace@BukitBatok. With the certainty of the duration, we can then plan and invest to do more extensive works at Grace@BukitBatok such as replacing the mechanical and electrical systems, which typically has a 15 to 20-year lifespan.

As such, if we were to carry out works with the remaining tenure of 10 years, it will be limited to aesthetics changes. Given that mechanical and electrical systems have a 15 to 20-year lifespan, we will be losing the full value of such systems if we proceed to do the changes now, with the limited remaining tenure of the present lease. The costs for extensive works and replacements may not be justified for a 10-year period, and the maintenance of present ailing equipment may also be substantively higher moving ahead.

The market value for the site at this point would also likely be lower than 10 years later, when the area around Bukit Batok and Tengah becomes more mature.

The staff team has begun the application process with the Singapore Land Authority (SLA), and we are waiting for the offer that the authority will make to us. While the ECB and staff are praying to be granted an extension of 30 years from the year of renewal, we

are hoping that the offer would be at least 20 years from the year of renewal, as proposed in the resolution. This extension of at least 20 years would allow us to have sufficient years to carry out works to enhance our facilities for Gracians and to create more spaces for bonding and community life.

The proposed amount at not exceeding \$10 million is meant to cater for any lease offer made to us between 20 to 30 years. The amount was estimated as the upper limit, should we be offered an extension of 30 years. The SLA may also take into account the remaining years of the present lease before providing us with a lower offer for the lease renewal.

The Estate and Facilities Committee has also begun seeking consultation on the options for refreshing Grace@BukitBatok campus, incorporating feedback from Gracians, pastors and anticipated ministry needs and community engagement. We want to enhance the facilities to make it more elderly and family friendly, as well as augment spaces for more multi-purpose usage. The ECB and pastoral team hope to see Grace@BukitBatok being used as a vibrant community hub not just for weekends but for weekdays too. The plans for the refresh of Grace@BukitBatok will be tabled at a subsequent ABM, subject to the extension on the lease renewal.

The ECB seeks your support in our efforts to renew the lease for Grace@BukitBatok and to empower ECB in its deliberation and decision on the pending offer from SLA.

# 63 ABM RESOLUTIONS

## No. 6: Proposed Appointment of New Trustee

### Motion:

That:

- (i) The proposal of the Executive Church Board to appoint Tay Yi Hang as a trustee for the Church in accordance with Article 17 of the Constitution, to replace the outgoing Ang Hock Beng Jonathan who has resigned, be accepted; and
- (ii) The properties at 355 Tanglin Road, Singapore 247960 and 1 Bukit Batok West Avenue 4, Singapore 659125 shall be vested in the four Trustees of the Church; namely Ho Yoon Kee, Nancy Tay Siok Hui, Tay Teng Pong and Tay Yi Hang to be held by them as joint tenants, subject to a declaration of trust. Trustees will be authorised to sign, seal and perfect any document and do all such acts and things as may be deemed necessary or expedient in connection with the acceptance and the taking up of any offer from the Singapore Land Authority for the land lease renewal of Grace@BukitBatok, 1 Bukit West Avenue 4, Singapore 659125 including the execution of any land lease renewal, registration documentation and any trust deeds.

### **Explanatory Notes:**

#### Role of Trustees:

As a registered society, Grace Assembly of God (Grace AG) is not a legal entity separate from its members. As such, it cannot hold real estate in its registered name but must do so through trustees.

Article 17 of the Constitution lays out the rules for trusteeship for Grace AG. Trustees are Ordinary Members proposed by ECB and accepted by a simple majority at a Business Meeting. Properties acquired by the Church shall be vested in four trustees subject to a declaration of trust.

Trustees appointed by the members of the Church are to hold the properties for the Church and for the

use, purposes and benefit of the Church in accordance with the Church's Constitution, rules and bye laws. Their duty is to convey on transferring the trust properties to persons entitled to hold it when required to do so. The Trustees do not have any discretion to deal with the properties unless instructed by the members of the Church, through a resolution passed at a duly convened Business Meeting.

We want to appreciate all four trustees who have been guardians for Grace AG's properties all these years – Ho Yoon Kee, Nancy Tay, Tay Teng Pong and Jonathan Ang. As Jonathan steps down from his appointment as a trustee, the ECB would like to propose Tay Yi Hang to be appointed as a new trustee in accordance with Article 17 of the Constitution.



### **Introduction to Tay Yi Hang:**

Yi Hang grew up in Grace AG. He accepted Christ while he was in Sunday school and took a more active role in serving the Church after completing his National Service. He has served in various roles over the years, from a musician in the Creative Arts Ministry (CAM) to heading the production team for the Young Adults & Young Professionals (YAYP) ministry, as well as being on the Executive Church Board (ECB) between 2018 to 2020.

Yi Hang is a software engineer in DSO National Laboratories. Hence, he is actively contributing on the Information Technology Committee, a working committee under the ECB, as well as serving as a grace group leader and on the camera crew of CAM. He is happily married to Gladys and they are enjoying parenthood with their daughter Ariel.

Yi Hang feels honoured to be taking on the appointment as a Trustee of the Church and he has expressed that he will do his very best in executing the responsibilities of the appointment.

## **Extract of Article 17 of Grace AG's Constitution:**

### **17. TRUSTEESHIP**

- 17.1 The property at 355 Tanglin Road, Singapore 247960 and any other property acquired by the Church shall be vested in four Trustees subject to a declaration of trust.
- 17.2 Trustees shall be Ordinary Members of the Church proposed by the Board and accepted by a simple majority of the members at a Business Meeting.
- 17.3 Any Trustee may at any time resign his trusteeship. If a Trustee dies, or becomes of unsound mind, or moves permanently or is absent from Singapore for a period of one continuous year, or is no longer a member of the Church, he shall be deemed to have resigned his trusteeship.
- 17.4 If a Trustee is guilty of misconduct of such a kind as to render it undesirable that he continues as a Trustee, a decision made at a Business Meeting may remove him from his trusteeship. Vacancies in the trusteeship may be filled at a General Meeting.
- 17.5 Notice of any proposal to remove a Trustee from his trusteeship or to appoint a new trustee to fill a vacancy must be given by posting it on the notice board in the Church's premises at least two (2) weeks before the Business Meeting at which the proposal is to be discussed.
- 17.6 The result of such meeting shall then be forwarded to the Registrar of Societies and the Commissioner of Charities for approval. The address of immovable properties, names of trustees and any subsequent changes must be notified to the Registrar of Societies and the Commissioner of Charities.
- 17.7 The trustees of the Church shall not effect any sale or mortgage of property without the prior approval by members as per Section 14 above, at a properly convened Business Meeting of Members.

# ANNUAL REPORT

For the financial year ended 31 December 2023

## CONTENT

Page

Statement by the Executive Church Board	20
Independent Auditor's Report	21-23
Balance Sheet	24
Statement of Comprehensive Income	25
Statement of Changes in Funds	26
Statement of Cash Flows	27
Notes to the Financial Statements	28-48

# Statement by the Executive Church Board

for the financial year ended 31 December 2023

The Executive Church Board (the "Board") presents this statement to the members together with the audited financial statements of Grace Assembly of God (the "Church") for the financial year ended 31 December 2023.

In the opinion of the Board,

- a. the financial statements of the Church as set out on pages 24 to 48 are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Singapore Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") 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 2023 and the financial performance, changes in funds and cash flows of the Church for the financial year covered by the financial statements; 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.

## Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Board



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**Rev Dr Wilson Teo Kek Woon**  
Chairman



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**Koh Han Rong, Lionel**  
Honorary Treasurer

Singapore  
23 March 2024

# Independent Auditor's Report to the Members of Grace Assembly of God

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Grace Assembly of God (the "Church"), which comprise the balance sheet as at 31 December 2023, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 24 to 48.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Singapore Charities Act 1994, and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Church as at 31 December 2023 and the financial performance, 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 Applicable to Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information refers to the "Statement by the Executive Church Board" set out on page 20.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 that we 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.

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

Management is responsible for the preparation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations 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 is responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Church or to cease operations, or has no realistic alternative but to do so.

The Executive Church Board (the "Board") is responsible for overseeing the Church's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management and those charged with governance for the financial statements 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 regulations enacted under the Societies Act and the Charities Act and Regulations to be kept by the Church have been properly kept in accordance with the provision of those respective Acts.

During the course of our audit, nothing came to our attention that caused us to believe that the Church did not comply with the requirements of Regulation 7 of the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

*CLA Global TS*

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**CLA Global TS Public Accounting Corporation**  
Public Accountants and Chartered Accountants

Singapore  
23 March 2024

# Balance Sheet

as at 31 December 2023

	Note	2023 S\$	2022 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	19,810,847	16,606,631
Short-term investments	9	21,650,753	21,380,588
Other receivables	4	989,980	395,647
		<u>42,451,580</u>	<u>38,382,866</u>
<b>Non-current assets</b>			
Property, plant and equipment	5	43,461,746	45,660,044
		<u>43,461,746</u>	<u>45,660,044</u>
<b>Total assets</b>		<u>85,913,326</u>	<u>84,042,910</u>
<b>LIABILITIES AND FUNDS</b>			
<b>Current liabilities</b>			
Other payables	7	2,358,501	1,540,077
Lease liabilities	6	110,880	93,061
		<u>2,469,381</u>	<u>1,633,138</u>
<b>Non-current liabilities</b>			
Lease liabilities	6	53,874	151,131
		<u>53,874</u>	<u>151,131</u>
<b>Total liabilities</b>		<u>2,523,255</u>	<u>1,784,269</u>
<b>Funds</b>			
Asset capitalisation reserve	8	16,261,079	17,400,111
Designated funds	10	23,450	24,530
Missions fund	11	2,725,324	2,701,947
General fund		64,380,218	62,132,053
		<u>83,390,071</u>	<u>82,258,641</u>
<b>Total liabilities and funds</b>		<u>85,913,326</u>	<u>84,042,910</u>

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

# Statement of Comprehensive Income

for the financial year ended 31 December 2023

	Note	2023 S\$	2022 S\$
<b>Income</b>	12	13,998,908	12,872,351
<b>Expenses</b>			
Staff salaries and related costs	14	(5,714,191)	(5,350,432)
Depreciation	5(a)	(2,805,893)	(2,680,629)
Ministries and events	15	(1,695,933)	(1,012,261)
Facilities	16	(958,140)	(1,143,676)
Information technology ("IT") and communication	17	(375,033)	(340,576)
Other operating, net	18	(193,878)	(180,144)
Financing	19	(7,675)	(10,579)
<b>Total expenses</b>		<u>(11,750,743)</u>	<u>(10,718,297)</u>
<b>Surplus for the financial year transferred to general fund</b>		<u>2,248,165</u>	<u>2,154,054</u>
<b>Other comprehensive (loss) / income</b>			
Items that will not be reclassified subsequently to profit or loss:			
- Depreciation charged to asset capitalisation reserve	8	(1,139,032)	(1,139,032)
- Net utilisation in designated funds	10	(1,080)	(15,007)
- Net surplus from missions fund	11	23,377	101,694
		<u>(1,116,735)</u>	<u>(1,052,345)</u>
<b>Total comprehensive income</b>		<u>1,131,430</u>	<u>1,101,709</u>

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

# Statement of Changes in Funds

for the financial year ended 31 December 2023

	<b>Asset Capitalisation Reserve S\$</b>	<b>Designated Funds S\$</b>	<b>Missions Fund S\$</b>	<b>General Fund S\$</b>	<b>Total S\$</b>
<b>2023</b>					
Balance at 1 January 2023	17,400,111	24,530	2,701,947	62,132,053	82,258,641
Total comprehensive (loss)/income	(1,139,032)	(1,080)	23,377	2,248,165	1,131,430
Balance at 31 December 2023	<u>16,261,079</u>	<u>23,450</u>	<u>2,725,324</u>	<u>64,380,218</u>	<u>83,390,071</u>
<b>2022</b>					
Balance at 1 January 2022	18,539,143	39,537	2,600,253	59,977,999	81,156,932
Total comprehensive (loss)/income	(1,139,032)	(15,007)	101,694	2,154,054	1,101,709
Balance at 31 December 2022	<u>17,400,111</u>	<u>24,530</u>	<u>2,701,947</u>	<u>62,132,053</u>	<u>82,258,641</u>

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

# Statement of Cash Flows

for the financial year ended 31 December 2023

	Note	2023 S\$	2022 S\$
<b>Cash flows from operating activities</b>			
Surplus for the financial year		2,248,165	2,154,054
Adjustments for			
- Depreciation charges	5(a)	2,805,893	2,680,629
- Bank interest income from general fund	12	(496,137)	(146,218)
- Bank interest income from missions fund	11	(48,017)	(12,951)
- Interest expense on lease liabilities	19	7,675	10,579
- Interest income from short-term investments from general fund	12	(703,396)	(174,471)
- Interest income from short-term investments from missions fund	11	(32,547)	(10,708)
- Gain on derecognition of lease liabilities	18	(3,485)	-
- Property, plant and equipment written-off	18	10	3,833
		<u>3,778,161</u>	<u>4,504,747</u>
Changes in working capital			
- Other receivables		(297,023)	10,759
- Other payables		485,367	167,042
<b>Cash generated from operations</b>		<u>3,966,505</u>	<u>4,682,548</u>
<b>Changes in funds</b>			
- Net utilisation of designated funds	10	(1,080)	(15,007)
- Net receipts from missions fund	11	23,377	101,694
<b>Net cash provided by operating activities</b>		<u>3,988,802</u>	<u>4,769,235</u>
<b>Cash flows from investing activities</b>			
Bank interest received		246,844	118,395
Net investment in short-term investments	9	(358,000)	(21,567,000)
Interest received from investment in short-term investments	9	823,778	371,591
Additions to property, plant and equipment		(1,397,819)	(1,999,679)
<b>Net cash used in investing activities</b>		<u>(685,197)</u>	<u>(23,076,693)</u>
<b>Cash flows from financing activities</b>			
Lease interest paid	6	(7,675)	(10,579)
Principal payment of lease liabilities	6	(91,714)	(89,074)
<b>Net cash used in financing activities</b>		<u>(99,389)</u>	<u>(99,653)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		3,204,216	(18,407,111)
<b>Cash and cash equivalents</b>			
Beginning of financial year		16,606,631	35,013,742
<b>End of financial year</b>	3	<u>19,810,847</u>	<u>16,606,631</u>

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

# Notes to the Financial Statements

for the financial year ended 31 December 2023

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

## 1. General information

Grace Assembly of God (the "Church") is a church registered and domiciled in the Republic of Singapore. The registered office is located at 355, Tanglin Road, Singapore 247960.

The Church is registered under the Societies Act 1966. It is also a charity registered under the Singapore Charities Act 1994.

The principal activities of the Church have been those relating to propagating and spreading the Gospel of Jesus Christ and to promote education having a Christian emphasis. There have been no significant changes in such activities during the financial year.

The financial statements were authorised for issue in accordance with resolution of the Executive Church Board (the "Board") on 23 March 2024.

## 2. Material accounting policies

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with provisions of the Societies Act 1966 (the "Societies Act"), the Singapore Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") and under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Church's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

### ***Interpretations and amendments to published standards effective in 2023***

On 1 January 2023, the Church adopted the new or amended FRSs and Interpretations to FRSs ("INT FRSs") that are mandatory for application for the financial year. Changes to the Church's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Church and had no material effect on the amounts reported for the current or prior financial years.

## 2. Material accounting policies (continued)

### 2.2 Income recognition

Donations including giving, offerings, pledges and other charitable contributions are recognised when received.

Camps and retreats registration fees are recognised when the activities are conducted.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective interest rate applicable.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

### 2.3 Government grants

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

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately.

Government grants relating to assets are deducted against the carrying amount of the assets.

### 2.4 Property, plant and equipment

#### (a) Measurement

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Buildings and leasehold land are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Other property, plant and equipment*

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) *Component of cost*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### (b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land	25 years
Grace@Tanglin and Grace@BukitBatok Buildings and building extension	The shorter of remaining lease term or 25 years
Renovations	5 years
Motor vehicles	5 years
Office equipment, furniture and fittings	3 – 6 years
Media equipment	5 years

## **2.4 Property, plant and equipment** *(continued)*

### **(b) Depreciation** *(continued)*

Work in progress is not depreciated until it is completed and ready for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate from review date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

### **(c) Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Church and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

### **(d) Disposal**

On disposal of an item of property, plant and equipment, the difference between the disposal proceed and its carrying amount is recognised in profit or loss.

## **2.5 Impairment of non-financial assets**

Property, plant and equipment (including rights-of-use assets) are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as revaluation decrease.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.



## 2.6 Financial assets

The Church classifies its financial assets at amortised cost.

### (a) At initial recognition

At initial recognition, the Church measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets.

### (b) At subsequent measurement

Debt instruments of the Church comprise cash and bank deposits, other receivables and short-term investments.

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

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

The Church assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For receivables, the Church applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

## 2.7 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2.8 Payables

Payables represent liabilities for goods and services provided to the Church prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less, if not, they are presented as non-current liabilities.

Payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

## 2.9 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

## 2. Material accounting policies *(continued)*

### 2.10 Leases

*When the Church is the lessor:*

#### **(a) Lessor – operating lease**

The Church leases out its premises under tenancy agreements to non-related parties.

Lease of property where the Church retains substantially all risks and rewards incidental to ownership are classified as operating lease. Rental income from operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Church in negotiating and arranging operating lease is added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

#### **(b) Lessor – sub-leases**

In classifying a sublease, the Church as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Church derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Finance lease receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Church recognises lease income from sublease in profit or loss. The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Church allocates the consideration based on a relative stand-alone selling price basis.

*When the Church is the lessee:*

Leases are recognised as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Church. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

If the lease transfers ownership of the underlying asset to the Church by the end of the lease term or if the cost of the right-of-use asset reflects that the Church will exercise a purchase option, the Church shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Church shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

## 2.10 Leases *(continued)*

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Church's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

## 2.11 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

### (a) Defined contribution plans

Contributions on the employees remuneration are made to the Central Provident Fund ("CPF") as required by law. The CPF contributions are recognised as expenses in the period when the employees rendered their service.

### (b) Employee leave 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 employees up to the balance sheet date.

## 2.12 Currency translation

### (a) Functional and presentation currency

Items included in the financial statements of the Church are measured using the currency of the primary economic environment in which the Church operates (functional currency). The financial statements are presented in Singapore Dollar (S\$), which is the functional currency of the Church.

### (b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the balance sheet date are recognised in profit or loss.

## 2.12 Currency translation (continued)

### (b) Transactions and balances (continued)

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

## 2.13 Income taxes

The Church is registered as a charity under the Charities Act and is exempted from income tax under Section 13(1)(zm) of Income Tax Act 1947.

## 2.14 Cash and cash equivalents

For the purpose of presenting in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of changes in value.

## 2.15 Asset capitalisation reserve

Buildings purchased from funds specially donated for such intentions are capitalised in the relevant property, plant and equipment account and the corresponding credits are reflected in the asset capitalisation reserve. The depreciation on the related asset is accounted for in the asset capitalisation reserve.

## 2.16 Funds

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

## 3. Cash and cash equivalents

	2023 S\$	2022 S\$
Cash at bank and on hand	6,410,847	7,372,406
Short-term bank deposits <sup>(a)</sup>	13,400,000	9,234,225
	<u>19,810,847</u>	<u>16,606,631</u>

<sup>(a)</sup> Short-term bank deposits are fixed deposits placed with local banks at 12 months (2022: 6 – 12 months) tenor with interest rates ranging between 3.68% and 3.73% (2022: 0.8% and 1.8%) per annum.

## 4. Other receivables

	2023 S\$	2022 S\$
Interest receivables – bank deposits	364,911	67,601
Deposits	44,257	44,019
Staff advances	26,682	11,084
Prepayments	535,465	229,351
Advance payment to suppliers	-	10,699
Other receivables – non-related parties	18,665	32,893
	<u>989,980</u>	<u>395,647</u>

## 5. Property, plant and equipment

	Freehold land S\$	Leasehold land S\$	Grace@ Tanglin building and extension S\$	Grace@ BukitBatok building and extension S\$	Renovations S\$	Motor vehicles S\$	Office equipment, furniture and fittings S\$	Media equipment S\$	Right-of-use assets (Note 5(b)) S\$	Work in progress S\$	Total S\$
<b>2023</b>											
<b>Cost</b>											
Beginning of financial year	44,100	4,923,720	51,567,516	13,231,491	971,147	83,750	2,620,351	6,696,035	471,636	166,001	80,775,747
Additions	-	-	-	-	33,439	-	206,816	300,570	15,761	1,190,051	1,746,637
Reclassifications	-	-	-	-	-	-	109,547	10,470	-	(120,017)	-
Write-off	-	-	-	-	-	-	(4,552)	(232,979)	(15,654)	-	(253,185)
End of financial year	44,100	4,923,720	51,567,516	13,231,491	1,004,586	83,750	2,932,162	6,774,096	471,743	1,236,035	82,269,199
<b>Accumulated depreciation</b>											
Beginning of financial year	-	3,348,131	16,349,474	7,401,266	529,220	83,749	1,693,183	5,458,473	252,207	-	35,115,703
Depreciation charges	-	196,949	2,064,417	654,708	121,069	-	268,096	545,564	94,122	-	3,944,925
Write-off	-	-	-	-	-	-	(4,549)	(232,972)	(15,654)	-	(253,175)
End of financial year	-	3,545,080	18,413,891	8,055,974	650,289	83,749	1,956,730	5,771,065	330,675	-	38,807,453
<b>Net book value</b>											
End of financial year	44,100	1,378,640	33,153,625	5,175,517	354,297	1	975,432	1,003,031	141,068	1,236,035	43,461,746

## 5. Property, plant and equipment (continued)

	Freehold land S\$	Leasehold land S\$	Grace@ Tanglin building and extension S\$	Grace@ BukitBatok building and extension S\$	Renovations S\$	Motor vehicles S\$	Office equipment, furniture and fittings S\$	Media equipment S\$	Right-of-use assets (Note 5(b)) S\$	Work in progress S\$	Total S\$
<b>2022</b>											
<b>Cost</b>											
Beginning of financial year	44,100	4,923,720	51,567,516	13,231,491	673,503	83,750	2,951,393	7,478,344	471,636	-	81,425,453
Additions	-	-	-	-	326,578	-	906,509	903,149	-	166,001	2,302,237
Reclassifications	-	-	-	-	(3,580)	-	3,580	-	-	-	-
Write-off	-	-	-	-	(25,354)	-	(1,241,131)	(1,685,458)	-	-	(2,951,943)
End of financial year	44,100	4,923,720	51,567,516	13,231,491	971,147	83,750	2,620,351	6,696,035	471,636	166,001	80,775,747
<b>Accumulated depreciation</b>											
Beginning of financial year	-	3,151,182	14,285,057	6,746,558	479,330	67,000	2,710,390	6,646,949	157,686	-	34,244,152
Depreciation charges	-	196,949	2,064,417	654,708	75,386	16,749	220,728	496,203	94,521	-	3,819,661
Reclassifications	-	-	-	-	(149)	-	149	-	-	-	-
Write-off	-	-	-	-	(25,347)	-	(1,238,084)	(1,684,679)	-	-	(2,948,110)
End of financial year	-	3,348,131	16,349,474	7,401,266	529,220	83,749	1,693,183	5,458,473	252,207	-	35,115,703
<b>Net book value</b>											
End of financial year	44,100	1,575,589	35,218,042	5,830,225	441,927	1	927,168	1,237,562	219,429	-	45,660,044

## 5. Property, plant and equipment (continued)

(a) Depreciation charges for the financial year were accounted as follows:

	2023 S\$	2022 S\$
Charged to:		
Profit or loss	2,805,893	2,680,629
Other comprehensive income		
- Asset capitalisation reserve (Note 8)	1,139,032	1,139,032
	<u>3,944,925</u>	<u>3,819,661</u>

(b) Right-of-use assets classified within property, plant and equipment comprise the following:

	2023 S\$	2022 S\$
<b>Office equipment – carrying amounts</b>		
Lease of copiers	31,345	40,409
Lease of firewall and network switches	109,723	179,020
	<u>141,068</u>	<u>219,429</u>

(c) During the financial year, the Church acquired property, plant and equipment (exclude right-of-use assets) with an aggregate cost of S\$1,730,876 (2022: S\$2,302,237) of which S\$1,095,261 (2022: S\$1,999,679) were paid by cash. The remaining amount of S\$635,615 (2022: S\$302,558) is outstanding as at 31 December 2023 and presented in Note 7 to the financial statements.

## 6. Leases liabilities

The Church leases copiers and firewall and network switches for the purpose of the Church's office operations. The lease arrangements prohibit the Church from subleasing the equipment to third parties. There are no externally imposed covenants on these lease arrangements.

	2023 S\$	2022 S\$
Lease liabilities at beginning of financial year	244,192	333,266
Non-cash movements:		
- Additional Leases	15,761	-
- Accretion of interest (Note 19)	7,675	10,579
- Derecognition of lease liabilities	(3,485)	-
	<u>19,951</u>	<u>10,579</u>
Cash movements:		
- Principal repayment	(91,714)	(89,074)
- Payment of lease interest	(7,675)	(10,579)
	<u>(99,389)</u>	<u>(99,653)</u>
Lease liabilities at end of financial year	<u>164,754</u>	<u>244,192</u>
Presented as:		
Current liabilities	110,880	93,061
Non-current liabilities	53,874	151,131
	<u>164,754</u>	<u>244,192</u>

Right-of-use assets on leases to the Church for 60 months (2022: 60 months) at interest rate ranging between 3.10% and 5.25% (2022: 3.10% and 5.25%).

## 7. Other payables

	2023 S\$	2022 S\$
Accruals		
- Contributions to Central Provident Fund	256,473	233,645
- Unutilised leave	123,156	128,007
- Bonus	432,492	422,301
- Capital expenditure	635,615	302,558
- Other operating expenditure	120,338	81,293
	<u>1,568,074</u>	<u>1,167,804</u>
Rental deposits	69,000	64,170
Other payables – non-related parties	721,427	308,103
	<u>2,358,501</u>	<u>1,540,077</u>



## 8. Asset capitalisation reserve

	2023 S\$	2022 S\$
Balance at beginning of financial year	17,400,111	18,539,143
Less: Depreciation charges for Grace@Tanglin and Grace@BukitBatok buildings (Note 5(a))	(1,139,032)	(1,139,032)
Balance at end of financial year	<u>16,261,079</u>	<u>17,400,111</u>
Asset capitalisation reserve is analysed as follows:		
- Grace@Tanglin building	14,526,870	15,434,799
- Grace@BukitBatok building	1,734,209	1,965,312
	<u>16,261,079</u>	<u>17,400,111</u>

The asset capitalisation reserve represents the portion of building costs of Grace@Tanglin and Grace@BukitBatok that were funded by specific building donations, as opposed to the general funds of the Church.

As the Grace@Tanglin and Grace@BukitBatok buildings are depreciated over their respective useful lives, the depreciation on the relevant portion of building costs is charged directly to the asset capitalisation reserve, until the Grace@Tanglin and Grace@BukitBatok buildings are fully depreciated.

## 9. Short-term investments

	General Fund S\$	Missions Fund S\$	Total S\$
<i>Financial assets, at amortised cost</i>			
<b>2023</b>			
<b>Face value:</b>			
Balance at beginning of financial year	20,367,000	1,200,000	21,567,000
Net (divestment)/Investment in Treasury Bills <sup>(a)</sup>	(67,000)	425,000	358,000
Balance at end of financial year	<u>20,300,000</u>	<u>1,625,000</u>	<u>21,925,000</u>
<b>Amortisation of interest received from short-term investments:</b>			
Balance at beginning of financial year	176,990	9,422	186,412
Interest received	787,202	36,576	823,778
	<u>964,192</u>	<u>45,998</u>	<u>1,010,190</u>
Amortisation of interest income:			
- General Fund (Note 12)	(703,396)	-	(703,396)
- Missions Fund (Note 11)	-	(32,547)	(32,547)
Unamortised interest at end of financial year	<u>260,796</u>	<u>13,451</u>	<u>274,247</u>
<b>Carrying amount</b>	<u>20,039,204</u>	<u>1,611,549</u>	<u>21,650,753</u>

## 9. Short-term investments (continued)

	General Fund S\$	Missions Fund S\$	Total S\$
<b>2022</b>			
<b>Face value:</b>			
Balance at beginning of financial year	-	-	-
Investment in Treasury Bills <sup>(a)</sup>	20,367,000	1,200,000	21,567,000
Balance at end of financial year	<u>20,367,000</u>	<u>1,200,000</u>	<u>21,567,000</u>
<b>Amortisation of interest received from short-term investments:</b>			
Balance at beginning of financial year	-	-	-
Interest received	351,461	20,130	371,591
	<u>351,461</u>	<u>20,130</u>	<u>371,591</u>
Amortisation of interest income:			
- General Fund (Note 12)	(174,471)	-	(174,471)
- Missions Fund (Note 11)	-	(10,708)	(10,708)
Unamortised interest at end of financial year	<u>176,990</u>	<u>9,422</u>	<u>186,412</u>
<b>Carrying amount</b>	<u>20,190,010</u>	<u>1,190,578</u>	<u>21,380,588</u>

<sup>(a)</sup> The Church invested in 6 to 12 months (2022: 6 months) Treasury Bills during the financial year which will be held to maturity. Treasury bills are short-term, tradable Singapore Government Securities that are issued at a discount to their face value. The discount rates range from 2.63% to 4.17% (2022: 2.63% to 4.16%) per annum.

## 10. Designated funds

	Building Fund S\$	Others S\$	Total S\$
<b>2023</b>			
Balance at beginning of financial year	5,618	18,912	24,530
Contributions received	-	16,236	16,236
Funds utilised	-	(17,316)	(17,316)
Net utilisation	<u>-</u>	<u>(1,080)</u>	<u>(1,080)</u>
<b>Balance at end of financial year</b>	<u>5,618</u>	<u>17,832</u>	<u>23,450</u>
<b>2022</b>			
Balance at beginning of financial year	5,618	33,919	39,537
Contributions received	-	11,670	11,670
Funds utilised	-	(26,677)	(26,677)
Net utilisation	<u>-</u>	<u>(15,007)</u>	<u>(15,007)</u>
<b>Balance at end of financial year</b>	<u>5,618</u>	<u>18,912</u>	<u>24,530</u>

Other designated funds represent contributions received for funding specific projects such as designated ministries expenditure and community outreach.

## 11. Missions fund

	2023 S\$	2022 S\$
Balance at beginning of financial year	2,701,947	2,600,253
Receipts		
- Missions collections	2,022,396	1,870,423
- Collections from ministries	695	-
- Bank interest income	48,017	12,951
- Interest income from short-term investments (Note 9)	32,547	10,708
- Government grants - Jobs Growth Incentive	10,538	17,244
- Others	586	10,000
Total receipts	<u>2,114,779</u>	<u>1,921,326</u>
Expenditures		
Local		
- Missions staff and missionaries	(715,992)	(613,385)
- Missions administrative expenses	(5,866)	(11,960)
- Missions awareness and events	(38,612)	(26,083)
- Missions related expenses	(67,733)	(35,446)
- Workers' support	(158,900)	(173,100)
	<u>(987,103)</u>	<u>(859,974)</u>
Overseas		
- Missions related expenses	(1,104,299)	(959,658)
	<u>(1,104,299)</u>	<u>(959,658)</u>
Total expenditures	<u>(2,091,402)</u>	<u>(1,819,632)</u>
Net surplus	23,377	101,694
Balance at end of financial year	<u>2,725,324</u>	<u>2,701,947</u>

The Missions fund was set up for the purpose of supporting missions and related works.

## 12. Income

All income was generated from continuing activities and comprises:

	2023 S\$	2022 S\$
Giving and offerings	11,878,384	11,862,690
Church ministries collections	17,323	30,320
Camps and retreats collections	370,577	40,660
Bank interest income	496,137	146,218
Interest income on short-term investments (Note 9)	703,396	174,471
Government grants – Jobs Growth Incentive <sup>(a)</sup>	17,115	243,790
– Progressive Wage Credit Scheme <sup>(b)</sup>	47,378	40,357
– Others	14,674	6,644
Cafe offering	60,319	20,225
Course fees	5,411	3,590
Rental income	311,825	233,531
Sundry income	76,369	69,855
	<u>13,998,908</u>	<u>12,872,351</u>

<sup>(a)</sup> Jobs Growth Incentive (the “JGI”) was introduced by the Singapore Government in September 2020 to provide salary support to encourage employers to bring forward their hiring plans and grow their local workforce. The final payout was received in June 2023.

<sup>(b)</sup> Progressive Wage Credit Scheme was introduced in Budget 2022 to co-fund wage increases of eligible resident employees from 2022 to 2026. This transitional wage support is intended to help employers adjust to upcoming mandatory wage increases for lower-wage workers covered by the Progressive Wage and Local Qualifying Salary requirements, as well as voluntarily raise wages of lower-wage workers.

## 13. Related party transactions

Key management personnel compensation is as follows:

	2023 S\$	2022 S\$
Salaries and bonuses	904,969	890,383
Church’s contributions to Central Provident Fund	125,905	122,370
Other short-term benefits	50,560	47,970
	<u>1,081,434</u>	<u>1,060,723</u>
Number of key management personnel	<u>9</u>	<u>9</u>

The annual remuneration of the three highest paid staff classified by remuneration bands are as follows:

	Number of staff	
	2023	2022
Annual remuneration		
- More than S\$100,000 but not exceeding S\$200,000	2	2
- More than S\$200,000 but not exceeding S\$300,000	1	1
	<u>3</u>	<u>3</u>

#### 14. Staff salaries and related costs

	2023 S\$	2022 S\$
Salaries, allowance, gratuities and bonuses	4,725,150	4,452,029
Church's contributions to Central Provident Fund	714,289	643,494
Staff medical, welfare and other related cost	274,752	254,909
	<u>5,714,191</u>	<u>5,350,432</u>

#### 15. Ministries and events expenses

	2023 S\$	2022 S\$
Activities, events and outreach	234,520	162,750
Bursary, donations and financial assistance	311,594	276,400
Cafe purchases	98,406	30,094
Camps and retreats	612,014	80,718
Communion emblems and altar ministries	12,004	8,543
Entertainments, gathering and pastoral care	62,437	59,462
Equipment maintenance, licenses and accessories	125,615	168,741
Honorarium	36,448	27,947
Leaders' training and seminars	16,659	3,479
Love offerings, flowers and wreaths	89,859	69,256
Publications, textbooks and teaching resources	40,823	47,933
Video production	40,985	47,013
Others	14,569	29,925
	<u>1,695,933</u>	<u>1,012,261</u>

#### 16. Facilities expenses

	2023 S\$	2022 S\$
Cleaning and gardening	204,832	208,645
Property tax	23,133	22,800
Repairs, building and general maintenance	426,009	585,135
Upkeep of motor vehicles	5,684	5,143
Utilities	298,482	321,953
	<u>958,140</u>	<u>1,143,676</u>

## 17. Information technology ("IT") and communication expenses

	2023 S\$	2022 S\$
External IT support	144,605	115,068
Hardware and software maintenance	13,903	13,557
Internet related expenses	81,444	68,386
Cyber security services	65,695	67,025
Cloud computing licences	66,438	73,392
Telecommunication expenses	2,948	3,148
	<u>375,033</u>	<u>340,576</u>

## 18. Other operating expenses, net

	2023 S\$	2022 S\$
Auditor's fees	33,022	27,888
Professional fees	94,992	54,494
Bank charges and certis cisco services fees	6,762	6,169
COVID-19 related expenses	-	25,800
General Insurance	51,789	46,759
Postages and stationery	7,518	8,820
Gain on derecognition of lease liabilities	(3,485)	-
Property, plant and equipment written-off	10	3,833
Others	3,270	6,381
	<u>193,878</u>	<u>180,144</u>

COVID-19 related expenses mainly comprised of Pre-Event Testing and purchases of Antigen Rapid Testing kits and various equipment that were necessary for implementation of safe distancing measures within the Church's premises.

## 19. Financing expenses

	2023 S\$	2022 S\$
Interest expense on lease liabilities (Note 6)	<u>7,675</u>	<u>10,579</u>

## 20. Commitments

*Operating lease commitments – when the Church is a lessor*

The Church leased out its premises under tenancy agreements that were non-cancellable.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, were as follows:

	2023 S\$	2022 S\$
Not later than one year	304,800	276,000
Between one and five years	304,800	552,000
	<u>609,600</u>	<u>828,000</u>

*Capital commitments*

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, are as follows:

	2023 S\$	2022 S\$
Upgrade of audio and visual facilities & equipment	1,689,174	39,650
Church Management System	156,346	183,936
	<u>1,845,520</u>	<u>223,586</u>

## 21. Reserves

The Church's reserves position at balance sheet date was as follows:

	2023 S\$	2022 S\$
Unrestricted/General fund	64,380,218	62,132,053
Restricted/Designated funds:		
- Asset capitalisation reserve (Note 8)	16,261,079	17,400,111
- Designated funds (Note 10)	23,450	24,530
- Missions fund (Note 11)	2,725,324	2,701,947
Total restricted/designated funds	<u>19,009,853</u>	<u>20,126,588</u>
Ratio of unrestricted reserves to annual budgeted operating expenditure	<u>4.45</u>	<u>4.78</u>

Unrestricted/General fund represents the net current assets plus the portion of property, plant and equipment funded by general fund.

The reserves that the Church has set aside provide financial stability and the means for the development of its principal activities. The Church intends to maintain the reserves at a level which is at least equivalent to one year's budgeted operating expenditure as approved by the Executive Church Board for operations

## **21. Reserves (continued)**

purposes. The restricted / designated reserves are intended for future capital expenditures, missions and other designated uses as specified by the donors.

The Board periodically reviews the reserves position to ensure there are adequate reserves to fulfill the Church's continuing obligations.

## **22. Fund raising appeal**

During the financial years ended 31 December 2023 and 2022 respectively, the Church has complied with the requirements of Regulation 7 of the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

## **23. Financial risk management**

### **Financial risk factors**

The Church's activities expose it to market risk (i.e. currency risk, equity price risk and interest rate risk), credit risk and liquidity risk. The Church's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Church's financial performance.

The Board is responsible for setting the objectives and underlying principles of financial risk management for the Church.

#### **(a) Market risk**

##### **(i) Currency risk**

The Church's activities are not exposed to significant foreign currency risk as it has no significant transaction denominated in foreign currencies.

##### **(ii) Equity price risk**

The Church is not exposed to equity price risk as it does not hold equity securities.

##### **(iii) Interest rate risk**

Interest rate risk is the risk to financial performance and value of financial instruments caused by fluctuations in interest rates.

The Church has minimal exposure to changes in interest rates as all its interest-bearing financial assets and financial liabilities are fixed rate instruments. Its only exposure to risk of changes in interest rates relates primarily to its interest-bearing bank deposits at variable rate. The Church adopts a policy of constantly monitoring movements in interest rates to obtain the most favourable interest rate available in the market. Presently, the Church does not use derivatives financial instruments to hedge its interest rate risk.



## 23. Financial risk management (continued)

### Financial risk factors (continued)

#### (b) Liquidity risk

Liquidity risk is the risk the Church is unable to meet its cash flow obligations as and when they fall due.

Prudent liquidity risk management includes monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Church to finance its operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the financial liabilities of the Church at the balance sheet date based on contractual undiscounted payments.

	Less than 1 year S\$	Between 1 to 5 years S\$	Total S\$
<b>2023</b>			
Lease liabilities	115,188	55,083	170,271
Other payables	2,235,345	-	2,235,345
	<u>2,350,533</u>	<u>55,083</u>	<u>2,405,616</u>
<b>2022</b>			
Lease liabilities	100,285	155,372	255,657
Other payables	1,412,070	-	1,412,070
	<u>1,512,355</u>	<u>155,372</u>	<u>1,667,727</u>

#### (c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Church. The major classes of financial assets of the Church are short-term investments, cash and cash equivalents, interest receivables – bank deposits, deposits and other receivables. The Church manages this risk by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty. The Board places its cash and bank deposits and treasury bills with reputable banks and government institutions.

As at the end of the financial year, there is no significant concentration of credit risk.

There is no class of financial assets that is past due and/or impaired.

#### (d) Fair value measurements

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

## 24. Financial instruments by category

As at the balance sheet date, the aggregate carrying amounts of financial instruments by category were as follows:

	2023 S\$	2022 S\$
<b>Financial assets, at amortised cost</b>		
- Cash and cash equivalents (Note 3)	19,810,847	16,606,631
- Short-term investments (Note 9)	21,650,753	21,380,588
- Interest receivables – bank deposits (Note 4)	364,911	67,601
- Deposits (Note 4)	44,257	44,019
- Staff advances (Note 4)	26,682	11,084
- Other receivables (Note 4)	18,665	32,893
	<u>41,916,115</u>	<u>38,142,816</u>
<b>Financial liabilities, at amortised cost</b>		
- Lease liabilities (Note 6)	164,754	244,192
- Other payables - excluding unutilised leave	2,235,345	1,412,070
	<u>2,400,099</u>	<u>1,656,262</u>

## 25. New or revised accounting Standards and Interpretations

Certain new accounting standards, amendments and interpretations to existing standards that have been published are mandatory for the Church's accounting periods beginning on or after 1 January 2024. The Church does not expect that the adoption of those accounting standards and interpretations will have a material impact on the Church's financial statements.





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**T.** 64100800 **E.** [church@graceaog.org](mailto:church@graceaog.org)