



Grace Assembly of God  
神召会恩典堂

# 62<sup>ND</sup>

ANNUAL  
BUSINESS  
MEETING  
常年事务大会



MISSIONS

NEXT  
GENERATION

FAMILY & MARRIAGE  
家庭与婚姻

COMMUNITY  
OUTREACH  
社区外展

MISSIONS  
差传宣教



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**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.

# 62<sup>nd</sup> Annual Business Meeting

## AGENDA

1. Introduction
2. Chairman's Address
3. Confirmation and Acceptance of 61<sup>st</sup> ABM Minutes
4. Honorary Secretary's Report
5. Honorary Treasurer's Report
6. Acceptance of Audited Financial Statements for the Financial Year Ended 31 December 2022
7. Announcement of Election Results of Honorary Treasurer for Session 2023-2025
8. Announcement of Election Results of Other Office Bearers for Session 2023-2025
9. Conclusion and Closing Prayer

# Minutes of the 61<sup>st</sup> Annual Business Meeting

**DATE :**

Mar 25, 2022 (Friday)

**TIME :**

8.05 p.m.

**VENUE :**

Grace@Tanglin (via Zoom)

**CHAIRMAN :**

Rev Dr Wilson Teo

**SECRETARY :**

Peter Lim

**RECORDING SECRETARY :**

Cheryl Lim

**PARLIAMENTARIAN :**

Wendy Wong

**REGISTERED VOTING MEMBERS :**

1617

**NO. OF VALID FORMS RETURNED :**

1030

**HOST & INTERPRETER :**

Pastor Steve Tan

**INTERPRETERS :**

Rev Emily Teo, Rev Siew Woh Kit

## 1. Introduction (Pastor Steve Tan, Rev Dr Wilson Teo, Interpreted by Rev Emily Teo)

- 1.1 Pastor Steve Tan announced the agenda of the ABM. He informed that all meeting proceedings would be recorded. He highlighted the procedures of the meeting including the Q&A segment and informed members that due to time constraint, only relevant and substantial questions would be answered.
- 1.2 He proceeded to introduce the Chairman, Honorary Secretary, and the Honorary Treasurer.
- 1.3 The Chairman opened the 61<sup>st</sup> ABM with a word of prayer at 8.06 p.m.

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

- 2.1 The Chairman explained that the Church decided to hold the ABM online to comply with the prevailing Safe Management Measures (SMMs). It is the Church's 3<sup>rd</sup> online ABM since 2020. He thanked the current Board and staff for working tirelessly amidst the changes brought about by the pandemic.
- 2.2 Rev Dr Wilson also appreciated the outgoing Executive Church Board (ECB) members: Mr. Kenneth Kwan, Mr. Lee Chian Chau, and Mr. Tan Kok Lin for their contributions. He thanked the seven highly competent and qualified candidates for availing themselves to run for the election in the current year. As only five candidates can be elected to serve on the Board for Session 2022-2024, he wanted to show his appreciation for their willingness to submit themselves to the rigorous process of nomination and election.
- 2.3 The Chairman touched on key issues facing the Church in the changing landscape of an endemic Singapore and world. The changes have vastly altered the operations of the

- Church as it is not exempt from how people are relating to one another differently and how technology has transformed our way of life. The use of digital technology has become the norm in church ministries. All effective local churches would have had to transform themselves into digital churches to meet the spiritual and emotional needs of their members.
- 2.4 A 'phygital' church takes its cue from its derivatives 'physical' and 'digital' to refer to a blended environment, where members who prefer face-to-face interactions and those who prefer online ministries, can be catered to. It also provides a digital resource to a third group of churchgoers who prefer a blended mode of onsite and online ministries.
  - 2.5 The 'phygital' church experience has been accelerated and made essential by the pandemic and is likely to stay indispensable in the near future. So Grace Assembly has to improve our 'phygital' facilities and capabilities if we want to stay relevant in the next century where church members are highly savvy in the use of technology. As such, the various ABM resolutions at the town hall meetings were tabled to ensure the Church can continue to be effective in its mandate to build the body of Christ.
  - 2.6 Rev Dr Wilson thanked all who have approved the strengthening of the Church's 'phygital' facilities and capabilities to 'future-proof' the Church. He believes that once the digital infrastructure is set up, it fortifies the Church against future disruptions or pandemics. When the Church's ministries can run seamlessly on various platforms, it is able to concentrate on creating higher quality digital content, to disciple members and to further evangelistic efforts.
  - 2.7 Besides digital infrastructure, the Church is also focusing on the intentional development of the staff team. Developing digital technology and human resources in tandem will ready the Church to navigate future uncertainties.
  - 2.8 Lastly and most importantly, the Church needs the Holy Spirit's empowerment and leadership to bring us further and make us stronger. It is the anointing of the Holy Spirit that will transform lives through the 'phygital' church that we are building.
  - 2.9 The Chairman humbly thanked all members for their unwavering support and solicited prayers for the Board as the church leadership steps into the new world.
3. **Announcement of Acceptance of 60<sup>th</sup> ABM Minutes and Financial Statements for Financial Year Ended 31<sup>st</sup> December 2021 (Rev Dr Wilson Teo, Interpreted by Rev Emily Teo)**
    - 3.1 The 60<sup>th</sup> ABM minutes were accepted by proxy forms. In summation, 1007 voted for the acceptance of the ABM minutes, 5 were against and 18 were spoilt votes.
    - 3.2 The Financial Statements for Financial Year (FY) ended 31<sup>st</sup> December 2021 were accepted by 1010 votes, while 5 voted against and 15 were spoilt votes.
  4. **Honorary Secretary's Report for Year 2021 (Peter Lim, Interpreted by Pastor Steve Tan)**
    - 4.1 The Honorary Secretary referred to his report in pages 10-13 of the 61<sup>st</sup> ABM Annual Report. He commended the church members for working relentlessly and helping the Church to stay relevant in the ever-evolving landscape.
    - 4.2 To reach the Church's vision of More People More like Jesus, it channels much effort into the five strategic pillars: Missional Disciples, Next Generation, Family & Marriage, Community Outreach and Missions. He invited the members to watch a video on what the Church has done in the past year in these areas.
    - 4.3 Peter invited the members to give the pastors, staff, members and youth a big hand for their selfless service and for remaining steadfast in the face of challenges. He thanked the Board Committees featured on page 15 for their service. Although often behind the scenes, they have worked hard to move the Church forward in a decisive manner in the last two years. This is why the ECB is earnestly requesting members' support for the amendments of the constitution, the proposed revamp of the church office and the development of digital infrastructure.
    - 4.4 Finally, the Honorary Secretary thanked all pastors, staff and volunteers for bringing the ABM live to members.

**5. Honorary Treasurer’s Report for Financial Year 2021 (Lionel Koh, Interpreted by Rev Siew Woh Kit)**

- 5.1 The Honorary Treasurer reported that there was a healthy net surplus of \$2.4 million after subtracting \$9.4 million of total expenses from \$11.8 million of total income in FY2021.
- 5.2 Lionel thanked the members for their generous giving as total tithes and offerings increased by \$1 million from the previous year, which offset the reduction in interest income and government grants. Thus, total income increased by \$0.2 million in 2021.
- 5.3 Total operating expenses increased by \$0.4 million, largely driven up by the increase in costs for facilities maintenance, various adaptations to safe management measures and higher staff pay-outs. However, this was in turn offset by lower ministry expenses due to reduced onsite activities. Capital expenditure amounted to \$300,000, mainly concentrated in investments in media, infrastructure, and office equipment.
- 5.4 Grace Missions reported a total income of \$1.7 million and a total expenditure of \$1.6 million, resulting in a net surplus of \$0.1 million. The higher expenditure is a result of higher aid relief disbursements to mission partners, church planters and churches hard hit by the pandemic.
- 5.5 Looking ahead to the future, Lionel outlined a summary plan for the stewardship of the \$35 million combined cash reserves of Grace Assembly and Grace Missions at the end of FY2021. He believes it is best to invest it in furthering the Church’s mission and strategy such as the pivot to a hybrid church model, the renewal of IT infrastructure and the optimisation of church premises to cater to the evolving ministry needs and SMMs.
- 5.6 Funds are also set aside progressively for the lease renewal of Grace@BukitBatok in 12 years’ time. To prepare for unforeseen events, one year’s worth of operating funds have been maintained as contingency.
- 5.7 Surplus funds have traditionally been parked in fixed deposits. Hereon, the Board will explore investing in the Singapore Government and Statutory Board bonds as they

have shown better returns at times, with a higher credit rating than banks.

- 5.8 He assured members that the investment policy for surplus funds remains prudent and conservative. The objective is to preserve capital to safeguard these funds.
- 5.9 In closing, the Honorary Treasurer reported that FY2021 was a strong financial year and the Board will look into investing more in the coming years, in order to enable the Church to fulfil its mission.
- 5.10 Lionel expressed his deepest appreciation to the Finance Team and the Board’s Finance Committee for their careful stewardship of the Church’s funds.

**6. Announcement of Acceptance of Resolutions 5, 6 and 7 (Rev Dr Wilson Teo, Interpreted by Rev Emily Teo)**

- 6.1 The Chairman opened the time for Q&A to the floor through the chat function of Zoom.
- 6.2 In the meantime, Rev Dr Wilson Teo announced the acceptance of Resolutions 5, 6 and 7 through proxy forms:

The Resolutions received the following vote counts:

**RESOLUTION 5**  
**Proposed Amendments to the Church Constitution**  
 For : 960 (93.2%)  
 Against: 30  
 Spoilt : 40

**RESOLUTION 6**  
**Proposed Revamp of Level 5 Office and Boardroom at Grace@Tanglin**  
 For : 945 (91.7%)  
 Against: 64  
 Spoilt : 21

**RESOLUTION 7**  
**Proposed Upgrade of Audio and Visual (AV) Facilities and Equipment at Grace@Tanglin and Grace@BukitBatok**  
 For : 896 (87%)  
 Against: 114  
 Spoilt : 20

- 6.3 The Chairman thanked the members for their support in giving the Church its

mandate through the above resolutions, especially in the area of upgrading facilities and equipment for improved engagement with Gracians.

**7. Announcement of Election of Office Bearers for Session 2022-2024 – Election of Honorary Secretary (Rev Dr Wilson Teo, Interpreted by Rev Emily Teo)**

7.1 The Chairman duly announced the election results of the Honorary Secretary. He congratulated the incumbent, Peter Lim on being re-elected the Honorary Secretary for Session 2022-2024.

7.2 Election of Honorary Secretary 2022/2023 – 2023/2024 (Quorum: 1030)

No.	Candidate	Votes	Person Elected
1.	Kenneth Lek	305	
2.	Peter Lim	697	Peter Lim
	Blank/Spoilt	28	
	<b>Total</b>	<b>1030</b>	

7.3 Peter Lim (*interpreted by Pastor Steve Tan*) thanked the members for their support and Kenneth Lek for standing for election. He emphasised that there are no winners or losers in the Church's elections, but just another opportunity to serve the Lord. On the personal front, he shared about recent losses suffered by the people around him, including his family, who were mourning the recent unexpected passing of his younger sister. He reflected on how Covid 19 has changed the way we celebrate and grieve. While it has separated communities in some ways, it has brought us together in others. As more restrictions are lifted, making it possible for the Church to reopen its doors to members and visitors, Peter urged Gracians to make every effort to attend the onsite services. Even as

the Church moves towards a hybrid model, nothing beats the physical gathering of God's people.

7.4 In closing, the Honorary Secretary expressed his appreciation to members for their support and love for the Church and their trust in the leadership.

**8. Announcement of Election of Office Bearers for Session 2022-2024 – Election of Church Board Members (Rev Dr Wilson Teo, Interpreted by Pastor Steve Tan)**

8.1 The Chairman duly announced the election results of the newly elected ECB members in alphabetical order. They are:

**Election of Executive Church Board Members (Quorum: 1030):**

No.	Candidate	Votes	Person Elected
1.	Cham Lee Fin	706	Cham Lee Fin
2.	Ho Wan Leng	709	Ho Wan Leng
3.	Justin Wong	516	
4.	Owen Wong	488	
5.	Victor Yen	542	Victor Yen
6.	Kenneth Lek	757	Kenneth Lek
	Blank/Spoilt	402	
	<b>Total</b>	<b>4120</b>	

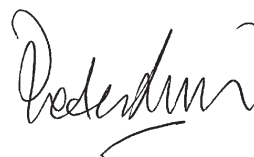
8.2 The Chairman thanked all the candidates for standing for election to serve the Lord.

**9. Conclusion and Closing Prayer by Rev Dr Wilson Teo (Interpreted by Pastor Steve Tan)**

With no questions and other business, the Chairman led the meeting in a closing prayer for the newly elected ECB members. The Chairman declared the 61<sup>st</sup> ABM closed at 8.51pm.



**Rev Dr Wilson Teo**  
Chairman



**Peter Lim**  
Honourary Secretary

# Chairman's Message

Shalom Gracians.

It has been three years since we were identified as the largest COVID cluster. Reflecting on all that has taken place, I am thankful for Gracians who have stood by us and supported the Church on this challenging journey.

Out from the pandemic, we see the importance of having a deeply rooted and vibrant community that cares for each other and encourages everyone to have healthy relationships with God and people. I was very heartened that when we could not gather in large settings at the height of the pandemic, the Grace Groups and Gracians came together to support one another and grow together. This was possible because of the existing relationships and communities that were already built before any crisis happened.

Now that our country is in the post-pandemic phase, we want to further strengthen our faith communities in Grace Assembly through various platforms in our church life. This is to ensure that our communities are ready for possible disruptions and thrive through another pandemic or unforeseen circumstances in the nation. One of the key areas is to strengthen the focus and purpose of our Grace Groups, in which many Gracians are actively involved. We will be taking time in the next two years to have conversations and training to empower our Grace Groups to be places where lives can be reached, disciplined, and become more like our Lord Jesus Christ.

“ One of the key areas is to strengthen the focus and purpose of our Grace Groups, in which many Gracians are actively involved. ”









“ The issue is not where we gather (online or onsite) but that we do gather in communities to spur and encourage each other (Heb 10:25). ”



Besides the onsite communities where we meet in person, we also have regular online communities who tune in weekly for our English, Mandarin, and NXTGEN weekend services. Some of these online viewers are Gracians who have families with infants and toddlers, some who are on short-term overseas assignments and studies, elderlies who are immobile, and visitors looking for a new spiritual home. Our Digital Campus Team actively engages them during the services and has intentional next steps to help visitors connect with us and be part of our Grace Community. All these are made possible through your strong mandate of enhancing our digital capabilities in the 2021 and 2022 Annual Business Meetings. Thank you for your partnership and foresight.

The pandemic has enabled Grace Assembly to be a hybrid church catering to the spiritual needs of both the onsite and online communities. The issue is not where we gather (online or onsite) but that we do gather in communities to spur and encourage each

other (Hebrew 10:25). The pandemic has also taught us to be nimble and agile to change our strategies while remaining true to our mission of evangelism and discipleship given by our Lord Jesus (Matthew 28:18-20). Healthy and thriving communities will enhance the experience of discipleship and serve as a strong attraction for those who have yet to know Jesus Christ.

With an enhanced digital infrastructure and a thriving Grace Community, let us emerge stronger from the pandemic to be the salt and light in Singapore and the nations.

In His Service,

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



“ Resilience and relevance can only come about if we continue to live our lives in Christ Jesus, rooted and built up in Him, strengthened in the faith as we were taught, and overflowing with thankfulness (Colossians 2:6-7). ”

# Honorary Secretary's Report 2022

Many businesses and organisations have dubbed 2022 as the “Year of Great Refresh”, perhaps adopting a “positive” (not quite a preferred word in COVID speak!) outlook after two years of global uncertainty.

At Grace Assembly, we are thankful to the Lord that despite the challenges we initially encountered, our Church has indeed emerged stronger! It seemed like only yesterday that we were carefully keeping a safe distance from each other whilst gathering; following the lifting of various restrictions, we now spare no efforts in connecting Gracians, regardless of the distance!

These connections take place in many ways and methods, with a focus on keeping our Church resilient and relevant in the post-pandemic world. Resilience and relevance can only come about if we continue to live our lives in Christ Jesus, rooted and built up in Him, strengthened in the faith as we were taught, and overflowing with thankfulness (Colossians 2:6–7).

## **Digital Connections**

Praise the Lord for the increase in service attendance funneled through our digital strategy. We have been very encouraged to hear from first-timers that they have found our Church through our digital platforms, or from Gracians on how accessible our content has become.

Since passing the resolution for our media upgrade in 2022, we have formed a management committee to work with vendors, and oversee the allocation of funds and resources that were budgeted. In addition, we have also established a staff team to build an influential digital presence to reach, engage and disciple people daily wherever they are.

New connections also mean new avenues for Gracians to serve as well! Whether it is in helping to run and set up our online services, or creating and curating bite-sized content for daily discipleship, these are new ways you can join us in serving the Lord.

“... I am filled with gratitude for how the Lord has moved mightily in our Church. I am also filled with great expectations for how He will continue to do so;”



Our digital presence will be a key component of Grace Assembly’s future and there is a bright horizon ahead to create awareness, connections, and engagements with all believers!

### **Purposeful Connections**

As we recognise that we are entering a new era of Church life that is enabled by technology, we must intentionally create purposeful, in-person touch-points with fellow Gracians, to help connect us to our communities beyond Grace Groups. Our Grace Groups continue to be the heartbeat of community in our Church, but onsite services provide a space to have fellowship with Gracians – current and new.

I encourage every Gracian to build up a rhythm of attending services *both* digitally and physically! While online services may provide flexibility in this hybrid world, there is nothing like attending services onsite if you are able to, as it builds solidarity and reminds us that we are one Church family as we pray, worship, and learn from the Word together.

We are thankful to have a thriving cafe ministry in both our campuses, serving Gracians breakfast every Sunday morning, rain or shine. A special shout out to our cafe volunteers for their faithfulness in ensuring that our fellowship can be further nourished by a hearty plate of food and a hot cup of coffee!

### **Enduring Connections**

Many of us may not be aware that behind the ECB and Church leadership team, is a group of Gracians who serve on various ECB committees, led by an ECB member and involving Church staff as well as Gracians from various walks of life, contributing their expertise to build the Church.

They often work “behind the scenes”, but we are always blessed by the outcomes of their service which have helped build enduring connections through the generations.

Some of these outcomes may be highly visible and tangible, such as our continued focus on missions both local and overseas; the revamp of the level 5 Grace@Tanglin office and meeting spaces; and the implementation of our IT and digital strategies. Other ECB committees help to look into staff welfare and well-being; ensure strong governance in our finances, practices and Constitution, and work closely with the Church’s leadership team to propel the Church forward in the new normal.

This report will never finish, nor will it do justice, if I try to outline the many contributions of every ECB committee. To every ECB member, church staff and Gracian who serve on these committees, let me record my heartfelt gratitude for your service to the Lord and your love for His Church.

As I prepare this report and recount the many blessings and provisions, I am filled with gratitude for how the Lord has moved mightily in our Church. I am also filled with great expectations for how He will continue to do so; whether through Senior Pastor Wilson and his leadership, the staff team and their dedication, the ECB and their insight, and you, Gracians – with your willing hands and feet to partner us in our Church’s ministries and outreach! Thank you, thank you, and thank you for giving to the Lord!

**Peter Lim**  
Honorary Secretary

## COMMUNITIES OVERVIEW

Total number of Grace Groups

220

Average number of children regularly attending GraceKids

>200

28 patients/families supported by the Cancer Support Ministry

Gracians connected to a Grace Group

3300+

29 beneficiaries/families cared for by the Grace Prison Ministry

New members welcomed into Grace Assembly

238

438

children, youths and young adults engaged through camps and events

1916 participants attended 49 courses



## COMMUNITY OUTREACH

2282

meals distributed



202

families supported through Grace Cares

272

residents engaged through wellness programmes



## MISSIONS

Onsite missions trips:

33

Online missions trips:

32

67 new projects launched in 2022 to a total of 110.



## DIGITAL CONNECTIONS

New NXTGEN Album launched on Spotify:

10K

plays since Oct 2022 release



Number of YouTube subscribers:

6.28K



Number of Instagram followers:







1.62K



Number of Facebook followers:

6.4K



Project Areas	No. of Projects
 Church Planting Support (No. of church planters supported)	54 (163)
 Education	17
 Humanitarian & Community	30
 Local Missions	1
 Medical	1
 Training	7
<b>TOTAL</b>	<b>110</b>

# Board Governance Report 2022/2023

## 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 implements 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.

## 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 2022/2023 are listed below:**

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

Rev Dr Wilson Teo, Chair/Senior Pastor  
Peter Lim, Honorary Secretary  
Lionel Koh, Honorary Treasurer  
Li Lit Siew, ECB Member  
Tan Kok Lin, Director of Operations

### Finance & Stewardship Committee:

Lionel Koh, Chair  
Gladys Lee, ECB Representative  
Tan Siew Poh  
Yong Weng Hong  
Cornelius Ong

### Human Resource Committee:

Ho Wan Leng, Chair (from Aug 2022)  
Li Lit Siew, Chair (till Aug 2022) /  
ECB Representative  
Deanna Ong

### Estate & Facilities Committee:

Kenneth Lek, Chair  
Neo Kim Teck  
Edward Ang  
Tirza Chow



**Grace Missions Committee:**

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

**Information Technology Committee:**

Wilfred Tan, Chair  
 Jonathan Ang  
 Patrick Lee  
 Lee He  
 Tay Yi Hang

**Audit & Risk Committee:**

Simon Bay, Chair  
 Chua Tiong Chin (from Sep 2022)  
 Khor Siew Kim  
 Lo Wei Shih  
 Owen Wong

**Constitution Advisory Committee:**

Ajinderpal Singh, Chair  
 Simon Bay, ECB Representative  
 Khor Siew Kim

**Media Upgrade Project Committee:**

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

**REACH Management Committee:**

Cham Lee Fin, ECB Representative

**Board Meetings**

There were 11 meetings during the 2022/2023 session as at 31 March 2023. Board members' attendance at the scheduled ECB meetings were as follows:

Board Member	Designation	Attendance at 2022/2023 Board Meetings
Rev Dr Wilson Teo	Chairman	11
Peter Lim	Honorary Secretary	10
Lionel Koh	Honorary Treasurer	11
Simon Bay	Deacon	10
Cham Lee Fin	Deacon	11
Ho Wan Leng	Deacon	9
Gladys Lee	Deacon	9
Kenneth Lek	Deacon	9
Li Lit Siew	Deacon	10
Ajinderpal Singh	Deacon	8
Victor Yen	Deacon	11

**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 Grace website.

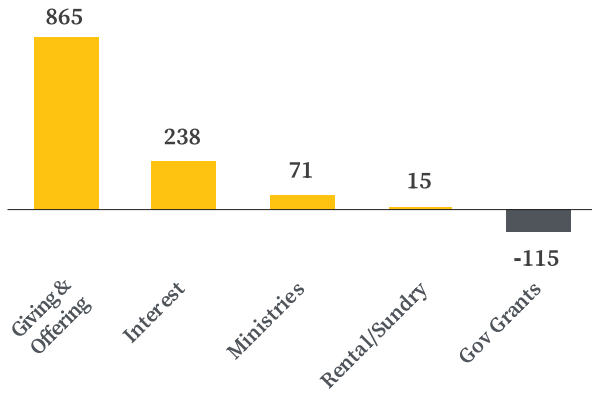
The purpose of the policy is to provide an avenue for the staff and volunteers to raise concerns and define a process to handle these concerns, including the compliance with the Personal Data Protection Act (PDPA) 2012 concerning the collection, collation and use of the personal information.

# Honorary Treasurer's Report 2022

**SURPLUS**  
**\$2.2M**  
▼ \$0.2M vs 2021

**TOTAL INCOME**  
**\$12.9M**  
▲ \$1.1M vs 2021

Changes in Income vs 2021 (\$ 000)



## 1. Surplus and Income

2022 saw us exit from the worst of the pandemic as restrictions were gradually eased and activities began to pick up again. This resulted in higher expenditures but was more than offset with an increase in income which allowed us to generate a net surplus of \$2.2M.

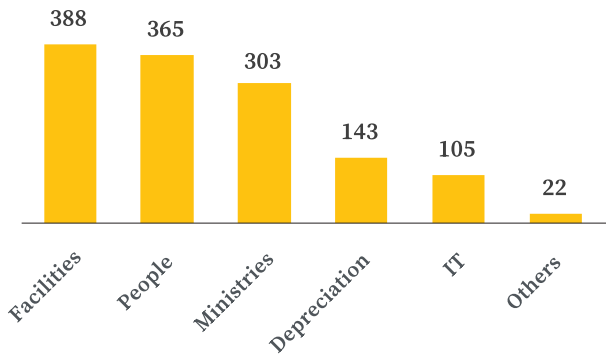
Our income grew by \$1.1M and was driven mainly by your generous giving and interest income which offset the decrease in government grants.

The growth in interest income was due to rising interest rates and the decision to move our maturing fixed deposits into 6 months Treasury Bills\*, which allowed us to capture higher interest rates compared to fixed deposits at the time.

**TOTAL EXPENSES**  
**\$10.7M**  
▲ \$1.3M vs 2021

**CAPEX**  
**\$2.3M**  
▲ \$2M vs 2021

Changes in Expenses vs 2021 (\$ 000)



## 2. Operating Expenses and Capital Expenditures

Total expenses for the year stood at \$10.7M which represented a \$1.3M increase from the previous year. This was driven by higher utilities costs, building maintenance and painting, higher headcount, increased ministry activities and cybersecurity improvements.

Capital expenditures were higher than 2021 at \$2.3M with the completion of the Tanglin Level 5 renovation, replacements to the Bethel Hall LED Wall and video/camera system, Tanglin backup chiller and the Bukit Batok CCTV system.

\* It is the Church's policy to invest surplus funds in a conservative and prudent manner with the objectives of preserving capital, maximizing 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

**\$1.9M**

▲ \$0.2M vs 2021

TOTAL EXPENSES

**\$1.8M**

▲ \$0.2M vs 2021

SURPLUS

**\$0.1M**

▲ \$0.02M vs 2021

Grace Missions expenditure was \$1.8M, representing a \$0.2M increase from 2021, arising mainly from increased mission trips as borders reopened, more projects as GM pivots to other project areas, and higher people costs to strengthen the current team and staff succession. With income at \$1.9M as a result of higher giving, Grace Missions ended the year with a surplus of \$0.1M.

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In closing, I would like to thank every Gracian who has contributed to our strong financial position as well as the ECB, Finance Committee and Finance Staff who have worked together on nights and weekends to prudently manage our finances. Thank you!

**Lionel Koh**

Honorary Treasurer

**Grace Assembly of God**

*(Registered under Societies Act, 1966)*

*(Registered under Charities Act, 1994)*

# ANNUAL REPORT

*For the financial year ended 31 December 2022*

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# Statement by the Executive Church Board

for the financial year ended 31 December 2022

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 2022.

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 2022 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 (formerly Nexia 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

# 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 2022, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 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 2022 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 for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information refers to the "Statement by the Executive Church Board" set out on page 1.

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 Board 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.



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**CLA Global TS Public Accounting Corporation**  
(Formerly Nexia TS Public Accounting Corporation)  
Public Accountants and Chartered Accountants

# Balance Sheet

as at 31 December 2022

	Note	2022 S\$	2021 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	16,606,631	35,013,742
Short-term investments	9	21,380,588	-
Other receivables	4	395,647	365,632
		<u>38,382,866</u>	<u>35,379,374</u>
<b>Non-current assets</b>			
Property, plant and equipment	5	45,660,044	47,181,301
		<u>45,660,044</u>	<u>47,181,301</u>
<b>Total assets</b>		<u>84,042,910</u>	<u>82,560,675</u>
<b>LIABILITIES AND FUNDS</b>			
<b>Current liabilities</b>			
Other payables	7	1,540,077	1,070,477
Lease liabilities	6(a)	93,061	89,074
		<u>1,633,138</u>	<u>1,159,551</u>
<b>Non-current liabilities</b>			
Lease liabilities	6(a)	151,131	244,192
		<u>151,131</u>	<u>244,192</u>
<b>Total liabilities</b>		<u>1,784,269</u>	<u>1,403,743</u>
<b>Funds</b>			
Asset capitalisation reserve	8	17,400,111	18,539,143
Designated funds	10	24,530	39,537
Missions fund	11	2,701,947	2,600,253
General fund		62,132,053	59,977,999
		<u>82,258,641</u>	<u>81,156,932</u>
<b>Total liabilities and funds</b>		<u>84,042,910</u>	<u>82,560,675</u>

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

# Statement of Comprehensive Income

for the financial year ended 31 December 2022

	Note	2022 S\$	2021 S\$
<b>Income</b>	12	12,872,351	11,797,588
<b>Expenses</b>			
Staff salaries and related costs	14	(5,350,432)	(4,985,139)
Depreciation	5(a)	(2,680,629)	(2,537,568)
Ministries and events	15	(1,012,261)	(709,351)
Facilities	16	(1,143,676)	(756,141)
Information technology ("IT") and communication	17	(340,576)	(235,842)
Other operating, net	18	(180,144)	(151,681)
Financing	19	(10,579)	(17,123)
<b>Total expenses</b>		<u>(10,718,297)</u>	<u>(9,392,845)</u>
<b>Surplus for the financial year transferred to general fund</b>		<u>2,154,054</u>	<u>2,404,743</u>
<b>Other comprehensive 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) / receipts in designated funds	10	(15,007)	2,652
- Net surplus from missions fund	11	101,694	79,123
		<u>(1,052,345)</u>	<u>(1,057,257)</u>
<b>Total comprehensive income</b>		<u>1,101,709</u>	<u>1,347,486</u>

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

# Statement of Changes in Funds

for the financial year ended 31 December 2022

	<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>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>
<b>2021</b>					
Balance at 1 January 2021	19,678,175	83,245	2,521,130	57,526,896	79,809,446
Total comprehensive (loss)/income	(1,139,032)	2,652	79,123	2,404,743	1,347,486
Transfer of funds (Note 10)	-	(46,360)	-	46,360	-
Balance at 31 December 2021	<u>18,539,143</u>	<u>39,537</u>	<u>2,600,253</u>	<u>59,977,999</u>	<u>81,156,932</u>

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

# Statement of Cash Flows

for the financial year ended 31 December 2022

	Note	2022 S\$	2021 S\$
<b>Cash flows from operating activities</b>			
Surplus for the financial year		2,154,054	2,404,743
Adjustments for			
- Depreciation charges	5(a)	2,680,629	2,537,568
- Bank interest income from general fund	12	(146,218)	(82,314)
- Bank interest income from missions fund	11	(12,951)	(6,131)
- Interest expense on lease liabilities	19	10,579	17,123
- Interest income from sub-lease	12	-	(3,395)
- Interest income from short-term investments from general fund	12	(174,471)	-
- Interest income from short-term investments from missions fund	11	(10,708)	-
- Property, plant and equipment written-off	18	3,833	1,378
		<u>4,504,747</u>	<u>4,868,972</u>
Changes in working capital			
- Other receivables		10,759	(284,264)
- Other payables		167,042	(372,899)
		<u>4,682,548</u>	<u>4,211,809</u>
<b>Cash generated from operations</b>			
<b>Changes in funds</b>			
- Net (utilisation) / receipt of designated funds	10	(15,007)	2,652
- Net receipts from missions fund	11	101,694	79,123
		<u>4,769,235</u>	<u>4,293,584</u>
<b>Net cash provided by operating activities</b>			
<b>Cash flows from investing activities</b>			
Interest received		118,395	101,048
Investment in short-term investments	9	(21,195,409)	-
Additions to property, plant and equipment	5(c)	(1,999,679)	(285,498)
Receipt of sub-lease principal	6(b)	-	23,650
Sub-lease interest income received	6(b)	-	3,395
		<u>(23,076,693)</u>	<u>(157,405)</u>
<b>Net cash used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Lease interest paid	6(a)	(10,579)	(17,123)
Principal payment of lease liabilities	6(a)	(89,074)	(109,574)
		<u>(99,653)</u>	<u>(126,697)</u>
<b>Net cash used in financing activities</b>			
<b>Net (decrease) / increase in cash and cash equivalents</b>		(18,407,111)	4,009,482
<b>Cash and cash equivalents</b>			
Beginning of financial year		35,013,742	31,004,260
<b>End of financial year</b>	3	<u>16,606,631</u>	<u>35,013,742</u>

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

# Notes to the Financial Statements

for the financial year ended 31 December 2022

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 18 March 2023.

## 2. Significant 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 FRS 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 2022*

On 1 January 2022, the Church adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) 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 FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS 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.

## 2.2 Income recognition

Donations including givings, 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. Significant accounting policies *(continued)*

### 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. Significant 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 recognised 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 of 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:*

- 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**

Defined contribution plans are post-employment benefit plans under which the Church pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Church has no further payment obligations once the contributions have been paid.

### **(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.

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**

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Cash at bank and on hand	7,372,406	4,546,594
Short-term bank deposits	9,234,225	30,467,148
	<u>16,606,631</u>	<u>35,013,742</u>

**4. Other receivables**

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Interest receivables – bank deposits	67,601	26,827
Deposits	44,019	35,210
Staff advances	11,084	-
Prepayments	229,351	73,127
Advance payment to suppliers	10,699	223,631
Other receivables – non-related parties	32,893	6,837
	<u>395,647</u>	<u>365,632</u>

## 5. Property, plant and equipment

2022	Freehold land S\$	Leasehold land S\$	Grace@ Tanglin		Grace@ BukitBatok		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\$
			building extension S\$	building extension S\$									
<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-offs	-	-	-	-	(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-offs	-	-	-	-	(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	166,001	45,660,044		

## 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>2021</b>											
<b>Cost</b>											
Beginning of financial year	44,100	4,923,720	51,567,516	13,231,491	607,081	83,750	2,912,607	7,384,437	471,636	-	81,226,338
Additions	-	-	-	-	66,422	-	123,391	95,685	-	-	285,498
Reclassifications	-	-	-	-	-	-	1,778	(1,778)	-	-	-
Write-offs	-	-	-	-	-	-	(86,383)	-	-	-	(86,383)
End 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
<b>Accumulated depreciation</b>											
Beginning of financial year	-	2,954,233	12,220,640	6,091,850	433,748	50,250	2,597,639	6,241,032	63,165	-	30,652,557
Depreciation charges	-	196,949	2,064,417	654,708	45,582	16,750	195,979	407,694	94,521	-	3,676,600
Reclassifications	-	-	-	-	-	-	1,777	(1,777)	-	-	-
Write-offs	-	-	-	-	-	-	(85,005)	-	-	-	(85,005)
End 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
<b>Net book value</b>											
End of financial year	44,100	1,772,538	37,282,459	6,484,933	194,173	16,750	241,003	831,395	313,950	-	47,181,301

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

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

	2022 S\$	2021 S\$
Charged to:		
Profit or loss	2,680,629	2,537,568
Other comprehensive income		
- Asset capitalisation reserve (Note 8)	1,139,032	1,139,032
	<u>3,819,661</u>	<u>3,676,600</u>

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

	2022 S\$	2021 S\$
Office equipment – carrying amounts		
Lease of copiers	40,409	65,632
Lease of firewall and network switches	179,020	248,318
	<u>219,429</u>	<u>313,950</u>

- (c) During the financial year, the Church acquired property, plant and equipment with an aggregate cost of S\$2,302,237 (2021: S\$285,498) of which S\$1,999,679 (2021: S\$285,498) were paid by cash. The remaining amount of S\$302,558 (2021: S\$Nil) is outstanding as at 31 December 2022 and classified as other payables.

## 6. Leases

### (a) Lease liabilities

*Church is a lessee*

	2022 S\$	2021 S\$
Lease liabilities at beginning of financial year	333,266	617,040
Non-cash movements:		
- Sub-lease novated #	-	(174,200)
- Accretion of interest (Note 19)	10,579	17,123
	<u>10,579</u>	<u>(157,077)</u>
Cash movements:		
- Principal repayment	(89,074)	(109,574)
- Payment of lease interest	(10,579)	(17,123)
	<u>(99,653)</u>	<u>(126,697)</u>
Lease liabilities at end of financial year	<u>244,192</u>	<u>333,266</u>
Presented as:		
Current liabilities	93,061	89,074
Non-current liabilities	151,131	244,192
	<u>244,192</u>	<u>333,266</u>

# Sub-lease was novated to sub-lessee on 31 July 2021.

**6. Leases (continued)****(b) Lease receivables***Church is a lessor*

The Church provides IT support to sub-lessee and had leased firewall and network switches on its behalf. The Church recharges its monthly lease installment in full to sub-lessee. The sub-lease was novated to sub-lessee on 31 July 2021.

	2022 S\$	2021 S\$
Lease receivables at beginning of financial year	-	197,850
Non-cash movements:		
- Sub-lease novated	-	(174,200)
- Accretion of interest (Note 12)	-	3,395
	-	(170,805)
Cash movements:		
- Principal repayment	-	(23,650)
- Receipt of lease interest income	-	(3,395)
	-	(27,045)
Lease receivables at end of financial year	-	-

**7. Other payables**

	2022 S\$	2021 S\$
Accruals		
- Contributions to Central Provident Fund	233,645	-
- Unutilised leave	128,007	108,168
- Bonus	422,301	457,942
- Others	383,851	192,977
	1,167,804	759,087
Rental deposits	64,170	60,070
Other payables – non-related parties	308,103	251,320
	1,540,077	1,070,477



## 8. Asset capitalisation reserve

	2022 S\$	2021 S\$
Balance at beginning of financial year	18,539,143	19,678,175
Less: Depreciation charges for Grace@Tanglin and Grace@BukitBatok building (Note 5(a))	<u>(1,139,032)</u>	<u>(1,139,032)</u>
Balance at end of financial year	17,400,111	18,539,143
Asset capitalisation reserve is analysed as follows:		
- Grace@Tanglin building	15,434,799	16,342,728
- Grace@BukitBatok building	1,965,312	2,196,415
	<u>17,400,111</u>	<u>18,539,143</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

	2022 S\$	2021 S\$
<i>Financial assets, at amortised cost</i>		
<b>Face value:</b>		
Balance at beginning of financial year	-	-
Investment in Treasury Bills <sup>(a)</sup>	21,567,000	-
Balance at end of financial year	<u>21,567,000</u>	<u>-</u>
<b>Amortisation of discount received from short-term investments:</b>		
Balance at beginning of financial year	-	-
Discount received	371,591	-
<b>Interest income:</b>		
- General Fund (Note 12)	(174,471)	-
- Missions Fund (Note 11)	(10,708)	-
Unamortised discount at end of financial year	<u>186,412</u>	<u>-</u>
<b>Carrying amount</b>	<u>21,380,588</u>	<u>-</u>

<sup>(a)</sup> The Church invested in 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 4.16% per annum.

**10. Designated funds**

	<b>Building Fund S\$</b>	<b>Grace Help Fund S\$</b>	<b>Other S\$</b>	<b>Total S\$</b>
<b>2022</b>				
Balance at beginning of financial year	<u>5,618</u>	<u>-</u>	<u>33,919</u>	<u>39,537</u>
Contributions received	-	-	11,670	11,670
Funds utilised	-	-	(26,677)	(26,677)
Net utilisation	<u>-</u>	<u>-</u>	<u>(15,007)</u>	<u>(15,007)</u>
Balance at end of financial year	<u>5,618</u>	<u>-</u>	<u>18,912</u>	<u>24,530</u>
<b>2021</b>				
Balance at beginning of financial year	<u>4,918</u>	<u>50,380</u>	<u>27,947</u>	<u>83,245</u>
Contributions received	700	280	34,877	35,857
Funds utilised	-	(4,300)	(28,905)	(33,205)
Net (utilisation) / receipts	<u>700</u>	<u>(4,020)</u>	<u>5,972</u>	<u>2,652</u>
Transfer to General Fund	<u>-</u>	<u>(46,360)</u>	<u>-</u>	<u>(46,360)</u>
Balance at end of financial year	<u>5,618</u>	<u>-</u>	<u>33,919</u>	<u>39,537</u>

Grace Help Fund was set up for the purpose of providing short term financial relief mainly to church members who were facing financial difficulties. The Church ceased accepting contributions for Grace Help Fund on 31 December 2020. Unutilised funds were transferred to General fund on 31 March 2021. Thereafter disbursements of financial support were paid from General fund.

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

## 11. Missions fund

	2022 S\$	2021 S\$
Balance at beginning of financial year	2,600,253	2,521,130
Receipts		
- Missions collections	1,870,423	1,694,673
- Bank interest income	12,951	6,131
- Interest income from short-term investments (Note 9)	10,708	-
- Government grants - Jobs Growth Incentive	17,244	-
- Jobs Support Scheme	-	12,035
- Others	10,000	7,362
Total receipts	<u>1,921,326</u>	<u>1,720,201</u>
Expenditures		
Local		
- Missions staff and missionaries	(613,385)	(490,065)
- Missions administrative expenses	(11,960)	(6,765)
- Missions awareness and events	(26,083)	(11,553)
- Missions related expenses	(35,446)	(130,929)
- Workers' support	(173,100)	(170,700)
	<u>(859,974)</u>	<u>(810,012)</u>
Overseas		
- Missions related expenses	(959,658)	(831,066)
	<u>(959,658)</u>	<u>(831,066)</u>
Total expenditures	<u>(1,819,632)</u>	<u>(1,641,078)</u>
Net surplus	101,694	79,123
Balance at end of financial year	<u>2,701,947</u>	<u>2,600,253</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:

	2022 S\$	2021 S\$
Givings and offerings	11,862,690	10,997,525
Church ministries collections	30,320	5,518
Camps and retreats collections	40,660	8,626
Bank interest income	146,218	82,314
Interest income on short-term investments (Note 9)	174,471	-
Government grants – Jobs Support Scheme <sup>(a)</sup>	-	179,996
– Jobs Growth Incentive <sup>(b)</sup>	243,790	156,469
– Others	47,001	69,634
Cafe offering	20,225	-
Course fees	3,590	9,456
Rental income	233,531	230,831
Interest income on net investment in sub-lease (Note 6(b))	-	3,395
Sundry income	69,855	53,824
	<u>12,872,351</u>	<u>11,797,588</u>

<sup>(a)</sup> Jobs Support Scheme (the “JSS”) is a wage co-funding grant given by the Singapore Government to help employers retain local employees during the period of economic uncertainty caused by the COVID-19 pandemic.

<sup>(b)</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.

## 13. Related party transactions

Key management personnel compensation is as follows:

	2022 S\$	2021 S\$
Salaries and bonuses	890,383	714,882
Church’s contributions to Central Provident Fund	122,370	92,651
Other short-term benefits	47,970	26,910
	<u>1,060,723</u>	<u>834,443</u>
Number of key management personnel	<u>9</u>	<u>8</u>

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

	Number of staff	
	2022	2021
Annual remuneration		
- More than S\$100,000 but not exceeding S\$200,000	2	3
- More than S\$200,000 but not exceeding S\$300,000	1	-
	<u>3</u>	<u>3</u>

**14. Staff salaries and related costs**

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Salaries, allowance, gratuities and bonuses	4,452,029	4,145,211
Church's contributions to Central Provident Fund	643,494	563,505
Staff medical, welfare and other related cost	254,909	276,423
	<u>5,350,432</u>	<u>4,985,139</u>

**15. Ministries and events expenses**

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Activities, events and outreach	162,750	71,393
Bursary, donations and financial assistance	276,400	233,925
Cafe purchases	30,094	-
Camps and retreats	80,718	15,689
Communion emblems and altar ministries	8,543	3,721
Entertainments, gathering and pastoral care	59,462	23,782
Equipment maintenance, licenses and accessories	168,741	168,481
Honorarium	27,947	19,668
Leaders' training and seminars	3,479	1,821
Love offerings, flowers and wreaths	69,256	54,093
Publications, textbooks and teaching resources	47,933	38,974
Video production	47,013	50,201
Others	29,925	27,603
	<u>1,012,261</u>	<u>709,351</u>

**16. Facilities expenses**

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Cleaning and gardening	208,645	203,229
Property tax	22,800	22,800
Repairs, building and general maintenance	585,135	344,671
Upkeep of motor vehicles	5,143	3,865
Utilities	321,953	181,576
	<u>1,143,676</u>	<u>756,141</u>

**17. Information technology (“IT”) and communication expenses**

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
External IT support	115,068	72,240
Hardware and software maintenance	13,557	30,610
Internet related expenses	68,386	62,690
Cyber security services	67,025	-
Cloud computing licences	73,392	65,060
Telecommunication expenses	3,148	5,242
	<u>340,576</u>	<u>235,842</u>

**18. Other operating expenses, net**

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Auditor’s fees	27,888	17,715
Professional fees	54,494	1,926
Bank charges and Certis Cisco services fees	6,169	3,363
COVID-19 related expenses	25,800	71,553
General Insurance	46,759	42,386
Postages and stationery	8,820	10,886
Property, plant and equipment written-off	3,833	1,378
Others	6,381	2,474
	<u>180,144</u>	<u>151,681</u>

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

**19. Financing expenses**

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Interest expense on lease liabilities (Note 6(a))	<u>10,579</u>	<u>17,123</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:

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Not later than one year	276,000	228,281
Between one and five years	552,000	-
	<u>828,000</u>	<u>228,281</u>

*Capital commitments*

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

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Property, plant and equipment	<u>223,586</u>	<u>675,723</u>

## 21. Reserves

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

	<b>2022</b> <b>S\$</b>	<b>2021</b> <b>S\$</b>
Unrestricted / General fund	62,132,053	59,977,999
Restricted / Designated funds:		
- Asset capitalisation reserve (Note 8)	17,400,111	18,539,143
- Designated funds (Note 10)	24,530	39,537
- Missions fund (Note 11)	2,701,947	2,600,253
Total restricted / designated funds	<u>20,126,588</u>	<u>21,178,933</u>
Ratio of unrestricted reserves to annual budgeted operating expenditure	<u>4.78</u>	<u>4.97</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 year, 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.



**(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.

	<b>Less than 1 year</b> S\$	<b>Between</b> <b>1 to 5 years</b> S\$	<b>Total</b> S\$
<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>
<b>2021</b>			
Lease liabilities	99,652	255,657	355,309
Other payables	962,309	-	962,309
	<u>1,061,961</u>	<u>255,657</u>	<u>1,317,618</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 Executive Church 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:

	2022 S\$	2021 S\$
<b>Financial assets, at amortised cost</b>		
- Cash and cash equivalents (Note 3)	16,606,631	35,013,742
- Short-term investments (Note 9)	21,380,588	-
- Interest receivables – bank deposits (Note 4)	67,601	26,827
- Deposits (Note 4)	44,019	35,210
- Staff advances (Note 4)	11,084	-
- Other receivables (Note 4)	32,893	6,837
	<u>38,142,816</u>	<u>35,082,616</u>
<b>Financial liabilities, at amortised cost</b>		
- Lease liabilities (Note 6(a))	244,192	333,266
- Other payables (Note 7)	1,412,070	962,309
	<u>1,656,262</u>	<u>1,295,575</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 2023. 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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