

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

UEN Nos.: S88CC0598H

(Registered in Singapore)

**FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

# **YISHUN CHRISTIAN CHURCH (LUTHERAN)**

UEN Nos.: S88CC0598H

*(Registered in Singapore)*

## **FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

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**YISHUN CHRISTIAN CHURCH (LUTHERAN)**  
UEN Nos.: S88CC0598H  
(Registered in Singapore)

**STATEMENT BY THE COUNCIL**

*For the financial year ended 31 December 2021*

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We, the Chairman and Treasurer, on behalf of the Council of Yishun Christian Church (Lutheran) (the Church), do hereby certify that in our opinion,

- a) the financial statements of the Church are drawn up in accordance with the Charities Act, Chapter 37 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 2021 and the financial performance, changes in funds and cash flows of the Church for the year ended on that date; and
- b) at the date of this statement, on the basis that the Council is of the opinion that the Covid-19 global pandemic will not have a significant impact on the operation and liquidity of the Church, there are reasonable grounds to believe that the Church will be able to pay its debts as and when they fall due.

On behalf of the Council,



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**TEO THIAN HOE**  
Chairman



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**TORRES JENNIFER LEE**  
Treasurer

Singapore

Date: **08 APR 2022**

TAN AI MING  
C.P.A.

Your Ref :

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
YISHUN CHRISTIAN CHURCH (LUTHERAN)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**  
*UEN Nos.: S88CC0598H*

***Report on the Audit of the Financial Statements***

***Opinion***

We have audited the financial statements of **Yishun Christian Church (Lutheran)** (the Church), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Charities Act, Chapter 37 and other relevant legislations (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 2021 and of the financial performance, changes in funds and cash flows of the Church for the year ended on that date.

***Basis for Opinion***

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

***Other Information***

The Council is responsible for the other information. The other information comprises the statement by the Council.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

TAN AI MING  
C.P.A.

Your Ref :

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
YISHUN CHRISTIAN CHURCH (LUTHERAN)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**  
*UEN Nos.: S88CC0598H*

***Other Information (continued)***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Council for the Financial Statements***

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

The Council's responsibilities include overseeing the Church's financial reporting process.

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

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

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

TAN AI MING  
C.P.A.

Your Ref :

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
YISHUN CHRISTIAN CHURCH (LUTHERAN)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**  
*UEN Nos.: S88CC0598H*

***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

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

**TAN AI MING**  
C.P.A.

Your Ref :

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
YISHUN CHRISTIAN CHURCH (LUTHERAN)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**  
*UEN Nos.: S88CC0598H*

**Report on Other Legal and Regulatory Requirements**

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

During the financial year ended 31 December 2021, the Church had not conducted any fund-raising appeals for which proper accounts and other records of fund-raising appeals are required to be maintained in accordance with the requirements of Regulation 7 of the Charities (Fund Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

**TAN AI MING & CO**  
Public Accountants and Chartered Accountants

Singapore

Date: 8 April 2022

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

UEN Nos.: S88CC0598H

(Registered in Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the financial year ended 31 December 2021*

	Note	2021 S\$	2020 S\$
Income	4	904,476	1,019,842
Less: Expenditures			
- Employee benefits	5	(569,200)	(581,394)
- Depreciation of property, plant and equipment	9	(39,119)	(39,061)
- Amortisation of right-of-use assets	9	(3,774)	(3,774)
- Benevolence for Lutheran Church Singapore ("LCS")		(99,738)	(99,568)
- LCS Mission		(18,000)	(18,000)
- Contribution for Church Improvements and maintenance		(108,000)	(108,000)
- Contribution to Lutheran Community Care Services ("LCCS")		(10,800)	(10,800)
- Support to campus Crusade Asia		-	(6,000)
- Other operating expenditures	6	(46,869)	(62,792)
Total expenditures		(895,500)	(929,389)
Surplus for the year		8,976	90,453
<b>Restricted funds</b>			
<u>Missionary fund</u>			
Add: Receipts for the year	13	21,055	25,230
Less: Disbursements for the year			
- LCS Mission		(9,000)	(9,000)
- Contribution to LCCS		(2,400)	(2,400)
- Mission to Northern Thai		(7,200)	(6,600)
- Other missions		(1,450)	(4,500)
	13	(20,050)	(22,500)
		1,005	2,730
<u>Youth mission fund</u>			
Add: Receipts for the year		-	-
Less: Donation to Sabah		(1,100)	-
	12	(1,100)	-
Total surplus, representing total comprehensive income for the year		8,881	93,183

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

UEN Nos.: S88CC0598H

(Registered in Singapore)

**STATEMENT OF FINANCIAL POSITION***As at 31 December 2021*

	Note	2021 S\$	2020 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Loan receivable	8	1,050	1,150
Cash and cash equivalents	7	514,758	466,348
Prepayment and other receivables		241	-
		<u>516,049</u>	<u>467,498</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	<u>737,059</u>	<u>777,436</u>
<b>Total assets</b>		<u>1,253,108</u>	<u>1,244,934</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables and accruals	10	48,029	96,787
Lease liabilities	15	3,820	3,625
<b>Total Current liabilities</b>		<u>51,849</u>	<u>100,412</u>
<b>NET CURRENT ASSETS</b>		<u>464,200</u>	<u>367,086</u>
<b>Non-current liabilities</b>			
Lease liabilities	15	<u>6,087</u>	<u>9,680</u>
<b>NET ASSETS</b>		<u>1,195,172</u>	<u>1,134,842</u>
<b>ACCUMULATED FUNDS</b>			
General reserve funds		317,037	301,065
Church building fund	11	745,123	776,119
Youth mission fund	12	900	2,000
Missionary fund	13	19,163	18,158
Building repair sinking fund		112,949	37,500
<b>TOTAL FUNDS</b>		<u>1,195,172</u>	<u>1,134,842</u>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**  
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**STATEMENT OF CHANGES IN FUNDS**  
 For the financial year ended 31 December 2021

	General reserve funds S\$	Church building fund S\$	Youth mission fund S\$	Missionary fund S\$	Building repair sinking fund	Total Funds S\$
<b>2021</b>						
<b>Beginning of financial year</b>	301,065	776,119	2,000	18,158	37,500	1,134,842
Total surplus representing total comprehensive income for the year	8,976	-	(1,100)	1,005	-	8,881
Transfer from restricted fund	6,996	(30,996)	-	-	24,000	-
Transfer from SRRD grant	-	-	-	-	51,449	51,449
<b>End of financial year</b>	<b>317,037</b>	<b>745,123</b>	<b>900</b>	<b>19,163</b>	<b>112,949</b>	<b>1,195,172</b>
<b>2020</b>						
<b>Beginning of financial year</b>	203,924	807,115	2,000	15,428	13,500	1,041,967
Effect of adopting FRS 116 Leases	(308)	-	-	-	-	(308)
Total surplus/ deficit representing total comprehensive income for the year	90,453	-	-	2,730	-	93,183
Transfer from restricted fund	6,996	(30,996)	-	-	24,000	-
<b>End of financial year</b>	<b>301,065</b>	<b>776,119</b>	<b>2,000</b>	<b>18,158</b>	<b>37,500</b>	<b>1,134,842</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

UEN Nos.: S88CC0598H

(Registered in Singapore)

**STATEMENT OF CASH FLOWS***For the financial year ended 31 December 2021*

	Note	2021 S\$	2020 S\$
<b>Cash flows from operating activities</b>			
Surplus for the year		8,881	93,183
Adjustments for:			
Depreciation of property, plant and equipment		39,119	39,061
Amortisation of right-of-use assets		3,774	3,774
Interest expenses – lease liabilities		580	797
Operating cash flow before working capital changes		52,354	136,815
Change in working capital:			
Other payables and accruals		2,691	(7,189)
Loan receivables		100	150
Prepayment		(241)	3,090
<b>Net cash generated from operating activities</b>		54,904	132,866
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,516)	(19,357)
Repayment of loan receivable		-	10,000
<b>Net cash flow (used in) investing activities</b>		(2,516)	(9,357)
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(3,978)	(4,238)
<b>Net cash flow (used in) investing activities</b>		(3,978)	(4,238)
<b>Net changes in cash and cash equivalents</b>		48,410	119,271
Cash and cash equivalents at beginning of the financial year		466,348	347,077
<b>Cash and cash equivalents at end of the financial year</b>	7	514,758	466,348

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## **YISHUN CHRISTIAN CHURCH (LUTHERAN)**

UEN Nos.: S88CC0598H

(Registered in Singapore)

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

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

#### **1. General**

Yishun Christian Church (Lutheran) (the Church) is registered as a charity institution in Singapore under the Charities Act, Chapter 37 with effect from 11 October 1988.

The principal activities of the Church are that of a church in the promotion of various ministries of religious nature. There have been no significant changes in the nature of these activities during the financial year.

The registered and principal place of activities is located at 10 Yishun Avenue 5, Singapore 768991.

The Church committee members are as follows:

Chairman (Church Council)	: Teo Thian Hoe
Vice Chairman (Church Council)	: Ma Junxian Gideon
Treasurer (Church Council)	: Torres Jennifer Lee
Secretary (Church Council)	: Leon Cheng Kuo Huwe
Pastor	: Revd Chiu Tham Kui (resigned December 2021)
Pastor	: Revd Ng Teck Seng
Senior Pastor	: Revd Soh Guan Kheng
Pastor	: Revd Low Kim Cheng (resigned September 2021)
Council Member	: Ang Peng Chye
Council Member	: Juanita Shakila Duraiarasan
Council Member	: Kok Siew Mooi
Council Member	: Joel Tan Kok Hoong
Council Member	: Ng Leong Ching Derek
Council Member	: Priscilla Ang Lay Hong
Council Member	: Sen Lee Far
Council Member	: Yap Pei Ru
Council Member	: Yuen Chee Mun

#### **2. Summary of significant accounting policies**

##### **2.1 Basis of preparation**

The financial statements of the Church have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

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**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

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**2. Summary of significant accounting policies (continued)**

**2.2 Adoption of new and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Church has adopted all the new and amended standards which are relevant to the Church and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Church.

**2.3 Standards issued but not yet effective**

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

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023

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

**2.4 Foreign currency transactions and balances**

Transactions in foreign currencies are measured in the functional currency of the Church and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

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**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

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**2. Summary of significant accounting policies (continued)**

**2.5 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Council. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Right-of-use assets	Over the lease term
Building extension	41 years
Computer	3 years
Equipment	5 years
Furniture and fittings	5 years
Renovation	5 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

**2.6 Impairment of non-financial assets**

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

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

Impairment losses are recognised in profit or loss.

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

UEN Nos.: S88CC0598H

(Registered in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

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**2. Summary of significant accounting policies (continued)**

**2.6 Impairment of non-financial assets (continued)**

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

**2.7 Financial instruments**

**a) Financial assets**

**Initial recognition and measurement**

Financial assets are recognised when, and only when the Church becomes party to the contractual provisions of the instruments.

At initial recognition, the Church measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Church expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

**Subsequent measurement**

**Investments in debt instruments**

Subsequent measurement of debt instruments depends on the Church's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

***i) Amortised cost***

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

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

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**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

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**2. Summary of significant accounting policies (continued)**

**2.7 Financial instruments (continued)**

**a) Financial assets (continued)**

*ii) Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

*iii) Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

**Investments in equity instruments**

On initial recognition of an investment in equity instrument that is not held for trading, the Church may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Church's right to receive payments is established. For investments in equity instruments which the Church has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

**Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.



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**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

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**2. Summary of significant accounting policies (continued)**

**2.7 Financial instruments (continued)**

**a) Financial assets (continued)**

**De-recognition**

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

**b) Financial liabilities**

**Initial recognition and measurement**

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

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

**Subsequent measurement**

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

**De-recognition**

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

**2.8 Impairment of financial assets**

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

**YISHUN CHRISTIAN CHURCH (LUTHERAN)**

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(Registered in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2021*

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**2. Summary of significant accounting policies (continued)**

**2.8 Impairment of financial assets (continued)**

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

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

For debt instruments at FVOCI, the Church applies the low credit risk simplification. At every reporting date, the Church evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Church reassesses the internal credit rating of the debt instrument. In addition, the Church considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

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

**2.9 Provisions**

**General**

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

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

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**2. Summary of significant accounting policies (continued)**

**2.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand and demand deposits which are subject to an insignificant risk of changes in value.

**2.11 Government grants**

Government grants are recognized as a receivable when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

**a) Jobs Support Scheme**

The Jobs Support Scheme provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

**2.12 Employee benefits**

**a) Defined contribution plan**

The Church makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**2.13 Leases**

**As lessee**

The Church assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Church applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Church recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

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**2. Summary of significant accounting policies (continued)**

**2.13 Leases (continued)**

**Right-of-use assets**

The Church recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Church at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

The Church's right-of-use assets are presented within property, plant and equipment (Note 9).

**Lease liabilities**

At the commencement date of the lease, the Church recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Church and payments of penalties for terminating the lease, if the lease term reflects the Church exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Church uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Church's lease liabilities are included in leases (Note 15).

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**2. Summary of significant accounting policies (continued)**

**2.13 Leases (continued)**

**Short-term leases**

The Church applies the short-term lease recognition exemption to its short term leases of office equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**2.14 Revenue**

Revenue is measured based on the consideration to which the Church expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Church satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**a) Offerings and donations**

Offerings and donations are recognised on receipt basis.

**b) Interest income**

Interest on deposits with banks is recognised on receipt basis.

**2.15 Funds**

Income and expenditures specifically relating to any of the funds separately setup by the Church are allocated subsequently to those funds. Fund balances restricted by outside fund providers are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Council. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which the Council retains full control to use in the furtherance of the general objectives of the Church and which have not been designated for specific purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to common expense unless impractical to do so.

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**2. Summary of significant accounting policies (continued)**

**2.16 Contingencies**

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Church; or
- b) a present obligation that arises from past events but is not recognised because:
  - i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii. the amount of the obligation cannot be measured with sufficient reliability.

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

**3. Significant accounting judgements and estimates**

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

**3.1 Judgements made in applying accounting policies**

**a) Impairment of property, plant and equipment**

Property, plant and equipment are assessed at the end of each financial year to ascertain whether there is any indication of impairment. If such indications are found, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Such impairment loss is recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021***3. Significant accounting judgements and estimates (continued)****3.1 Judgements made in applying accounting policies (continued)****a) Impairment of property, plant and equipment (continued)**

The Council's judgement is required in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the market value or the net present value of future cash flows which are estimated based upon the continued use of the asset in the operations; and (iii) the appropriate key assumptions to be applied in estimating the market value or preparing the cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by the Council to determine the level of impairment, including the growth rate and discount rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result may potentially affect the Church's results.

The carrying amounts of the property, plant and equipment as at 31 December 2021 were S\$737,059 (2020: S\$777,436).

**4. Income**

	2021	2020
	S\$	S\$
English worship	591,140	596,774
Chinese worship	187,881	192,332
Dialect ministry	75,378	64,410
Youth ministry	7,446	2,407
Missions	5,770	400
Building maintenance	180	890
Christian education/library	50	397
Fixed deposit interest income	516	70
Grants from Childcare	-	48,000
Grants from LCS	6,565	2,800
Government grants	5,907	6,435
Jobs Support Scheme	21,055	104,114
Others - refreshments	-	813
NCSS grant	2,588	-
	<b>904,476</b>	<b>1,019,842</b>

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021*

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**5. Employee benefits**

	2021	2020
	S\$	S\$
Salaries, CPF and allowances <sup>1</sup>	543,839	564,702
Medical related expenses	2,214	1,654
Pastors' reimbursements	3,923	4,029
Staff welfare	7,162	1,238
Staff insurance	12,062	9,771
	<u>569,200</u>	<u>581,394</u>

<sup>1</sup>Included are salaries, CPF and allowances for all key persons of \$362,999 (2020: \$390,353).

**6. Other operating expenditures**

	2021	2020
	S\$	S\$
Administration	16,062	14,239
Capital expenditures	1,971	1,676
Care groups	61	-
Care and welfare	3,333	8,276
Christian education	1,587	1,345
Church maintenance	4,874	4,843
Dialect ministry	7,340	5,750
Divine service	2,953	4,345
Dorcas fellowship	750	79
Evangelism programmes	714	-
Refreshments	34	3,486
Stewardship	633	1,221
Theological student allowance	-	5,300
Worships ministry	1,334	6,720
Youth ministry	4,643	4,715
Interest expenses - lease liabilities	580	797
	<u>46,869</u>	<u>62,792</u>



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**7. Cash and cash equivalents**

	2021	2020
	S\$	S\$
Cash at bank	463,012	414,894
Cash in hand	16	240
Fixed deposits	51,730	51,214
	<u>514,758</u>	<u>466,348</u>

Fixed deposits earn interests at the rate ranging from 0.20% to 0.1% (2019: 0.20% to 1.25%) per annum.

**8. Loan receivables**

	2021	2020
	S\$	S\$
Other receivable	<u>1,050</u>	<u>1,150</u>

Loan receivable relates to interest free loan to the Church's member, with no fixed repayment terms. There is no collateral for the loan given.

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**NOTES TO THE FINANCIAL STATEMENTS**  
 For the financial year ended 31 December 2021

**9. Property, plant and equipment**

	<u>Right-of-use assets</u> S\$	<u>Building extension</u> S\$	<u>Computer</u> S\$	<u>Equipment</u> S\$	<u>Furniture and fittings</u> S\$	<u>Renovation</u> S\$	<u>Total</u> S\$
<b>Cost</b>							
As at 1 January 2020	-	1,270,726	18,297	38,193	9,106	10,460	1,346,782
Additions	16,437	-	8,217	11,140	-	-	35,794
As at 31 December 2020	16,437	1,270,726	26,514	49,333	9,106	10,460	1,382,576
Additions	-	-	2,516	-	-	-	2,516
Disposals	-	-	(1,362)	-	-	-	(1,362)
<b>As at 31 December 2021</b>	<b>16,437</b>	<b>1,270,726</b>	<b>27,668</b>	<b>49,333</b>	<b>9,106</b>	<b>10,460</b>	<b>1,383,730</b>
<b>Accumulated depreciation</b>							
As at 1 January 2020	-	495,917	17,843	37,347	9,106	2,092	562,305
Depreciation charge	3,774	30,996	3,193	2,780	-	2,092	42,835
As at 31 December 2020	3,774	526,913	21,036	40,127	9,106	4,184	605,140
Depreciation charge	3,774	30,996	3,578	2,453	-	2,092	42,893
Disposals	-	-	(1,362)	-	-	-	(1,362)
<b>As at 31 December 2021</b>	<b>7,548</b>	<b>557,909</b>	<b>23,252</b>	<b>42,580</b>	<b>9,106</b>	<b>6,276</b>	<b>646,671</b>
<b>Net carrying amount</b>							
As at 31 December 2020	12,663	743,813	5,478	9,206	-	6,276	777,436
<b>As at 31 December 2021</b>	<b>8,889</b>	<b>712,817</b>	<b>4,416</b>	<b>6,753</b>	<b>-</b>	<b>4,184</b>	<b>737,059</b>

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2021***9. Property, plant and equipment (continued)**

The building extension is built on a land leased by the diocese of Singapore and the Lutheran Church in Malaysia and Singapore from the Housing and Development Board. The tenure of the leased is 60 years from 20 September 1990.

Right-of-use assets acquired under operating lease are presented together within the property, plant and equipment, presented under "Right-of-use assets". The leased assets are 2 office equipment, and the corresponding remeasurement to lease liability is presented under 'Leases' (Note 15).

**10. Other payables and accruals**

	2021	2020
	S\$	S\$
Grant received in advance	5,132	58,970
Accruals	42,196	37,116
Mission receipts in advance	701	701
	<u>48,029</u>	<u>96,787</u>

**11. Church Building Fund**

	2021	2020
	S\$	S\$
Balance at beginning of year	776,119	807,115
Less: Depreciation expense	(30,996)	(30,996)
Balance at end of year	<u>745,123</u>	<u>776,119</u>

Church building fund refers to fund for building improvement of the church premise.

**12. Youth Mission Fund**

	2021	2020
	S\$	S\$
English Congregation:		
Balance at beginning of year	2,000	2,000
Add: Transfer from general fund	-	-
	<u>2,000</u>	<u>2,000</u>
Less: Disbursement during the year	(1,100)	-
Balance at end of year	<u>900</u>	<u>2,000</u>

Youth mission fund is used to finance youth ministry missionary activities.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. Missionary Fund**

	2021 S\$	2020 S\$
Chinese Congregation:		
Balance at beginning of year	18,158	15,428
Add: Receipts during the year	21,055	25,230
	<u>39,213</u>	<u>40,658</u>
Less: Disbursements during the year	(20,050)	(22,500)
Balance at end of year	<u>19,163</u>	<u>18,158</u>

Missionary fund is used to support overseas mission works.

**14. Related party transactions**

A related party includes the council members and key management of the Church. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or indirectly, any such individual. Key management personnel include the Chairman and the other committee members.

	2021 S\$	2020 S\$
Contribution to related parties	<u>139,938</u>	<u>139,768</u>
Contribution (from) related parties	<u>(6,565)</u>	<u>(2,800)</u>

Compensation of key management personnel

	2021 S\$	2020 S\$
Remuneration	321,333	344,380
CPF	41,666	45,973
	<u>362,999</u>	<u>390,353</u>

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**15. Leases**

The Church has leases of office equipment with lease terms of 60 months.

**(a) Lease liabilities**

	2021 S\$	2020 S\$
Current	3,820	3,625
Non-current	6,087	9,680
	<u>9,907</u>	<u>13,305</u>

**(b) Amounts recognised in profit or loss**

	2021 S\$	2020 S\$
Interest expenses - Lease liabilities (Note 6)	580	797
Amortisation of right-of-use assets (Note 9)	3,774	3,774

**16. Taxation**

The Church has been registered as a charity under the Charities Act and is exempted from income tax under the provisions of the Singapore Income Tax Act, Cap. 134.

**17. Fair value of assets and liabilities****Fair value hierarchy**

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

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

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

The carrying amounts of cash and cash equivalents, other receivables, and other payables approximate their fair values due to the short-term nature of these balances.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**18. Financial risk management objectives and policies**

The Church's activities expose it to financial risks arising from its operations. The key financial risks include liquidity risk.

The Church's overall risk management objective focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Church. The Church does not have a formal risk management policies and guidelines.

*(a) Liquidity risk*

Liquidity risk refers to the risk that the Church will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Church's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Church manages its liquidity risk by monitoring and maintaining an adequate level of cash and cash equivalents deemed adequate by the Church Council to finance its activities and to mitigate the effects of fluctuations in cash flows. At the balance sheet date, assets held by the Church for managing liquidity risk included cash and fixed deposits as disclosed in note 7.

**19. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Council of **Yishun Christian Church (Lutheran)** on 08 April 2022.