

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
(Unique Entity Number: S95SS0088J)  
(Registered under the Societies Act, Chapter 311 and the Charities Act, Chapter 37)

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**



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**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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<b>CONTENTS</b>	<b>PAGE</b>
STATEMENT BY THE MANAGEMENT COMMITTEE	1
INDEPENDENT AUDITOR'S REPORT	2 - 4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF FINANCIAL ACTIVITIES	6 - 8
STATEMENT OF CHANGES IN FUNDS	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 26

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**STATEMENT BY THE MANAGEMENT COMMITTEE**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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In the opinion of the Management Committee,

- (a) the accompanying financial statements of Gethsemane Bible-Presbyterian Church (the “Church”) together with the notes thereto are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311, the Charities Act, Chapter 37 and Financial Reporting Standards in Singapore so as to give a true and fair view of the state of affairs of the Church as at 30 June 2017 and the results, changes in funds and cash flows of the Church for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Church will be able to pay its debts as and when they fall due.

The Management Committee authorised the issue of these financial statements.

On behalf of the Management Committee,



.....  
Prabhudas Koshy  
**Chairman**



.....  
Ng Poh Kok  
**Treasurer**

Singapore

Date: 11 August 2017

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**

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**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of Gethsemane Bible-Presbyterian Church (the "Church"), which comprise the statement of financial position of the Church as at 30 June 2017, the statement of financial activities, statement of changes in funds and statement of cash flows of the Church 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, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Church as at 30 June 2017 and the results, 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 comprises the Statement by the Management Committee set out on page 1, but does not include financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**

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*Other matters*

The financial statements of Gethsemane Bible-Presbyterian Church for the previous financial year ended 30 June 2016 were audited by another firm of auditor who expressed an unmodified opinion on those statements on 15 August 2016.

*Responsibilities of Management Committee and those charged with governance for the financial statements*

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

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.

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

*Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**

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*Auditor's responsibilities for the audit of the financial statements (Cont'd)*

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

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

There are no fund-raising activities conducted by the Church during the financial year.

**Tan, Chan & Partners**  
*Public Accountants and  
Chartered Accountants*

Singapore

Date: 11 August 2017

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2017**

	Note	<b>2017</b>	2016
		\$	\$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property, plant and equipment	4	<b>415,748</b>	461,932
<b>Current assets</b>			
Inventories	5	<b>4,787</b>	4,825
Other receivables	6	<b>32,390</b>	34,072
Cash and cash equivalents	7	<b>2,998,201</b>	2,550,713
		<b>3,035,378</b>	2,589,610
<b>Total assets</b>		<b>3,451,126</b>	3,051,542
<b>LIABILITY AND FUNDS</b>			
<b>Current liability</b>			
Other payables	8	<b>88,957</b>	46,703
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
General fund	9	<b>366,387</b>	266,760
<b>Restricted funds</b>			
Ethiopian building fund	10	<b>737</b>	737
Bible Institute International fund	10	<b>8,159</b>	16,338
Printing machine fund	10	<b>18,943</b>	29,534
Vehicles fund	10	<b>55,563</b>	82,096
Care ministry fund	10	<b>76,189</b>	70,678
Bible witness fund	10	<b>99,685</b>	79,282
Building fund	10	<b>2,736,506</b>	2,459,414
		<b>3,362,169</b>	3,004,839
<b>Total liability and funds</b>		<b>3,451,126</b>	3,051,542

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

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Unrestricted fund	Restricted funds	Total funds	Total funds
Note	2017	2017	2017	2016
	\$	\$	\$	\$
<b>Income from generated funds</b>				
Voluntary income:				
Collections	-	255,391	255,391	1,049,758
Offerings and tithes	795,373	-	795,373	670,040
Gifts	67,631	207,241	274,872	206,250
Activities for generating funds:				
Bible witness 12th retreat	-	3,408	3,408	2,528
FEBC students' support	104	-	104	-
Missionary conference 2017	94,667	-	94,667	-
Mission support	-	-	-	1,499
Sales of goods	-	62,711	62,711	32,300
Service income	-	92,981	92,981	123,701
Investment income:				
Interest income	155	30,033	30,188	12,197
Other income:				
Special employment credit	12,595	-	12,595	22,829
Labour supply	-	1,800	1,800	1,460
Miscellaneous income	25,481	380	25,861	8,201
<b>Total income</b>	<b>996,006</b>	<b>653,945</b>	<b>1,649,951</b>	<b>2,130,763</b>
<b>Less: Cost of generating funds</b>				
BWMM retreat	-	172	172	63
Camp/retreat/seminar	741	-	741	15,360
FEBC students' support	31,830	-	31,830	26,936
Fellowship groups expenses	5,965	-	5,965	6,815
Gifts	4,957	17,550	22,507	48,939
Honorarium	500	12,031	12,531	17,465
Mugs printing and accessories	-	1,600	1,600	2,246
Materials - remover service	-	2,383	2,383	6,310
Materials - t-shirt printing	-	24,674	24,674	16,945
Materials - bag printing	-	3,524	3,524	-
Materials - stationery	-	532	532	-
Mission trips	6,137	-	6,137	5,000
Missions' support	153,822	3,603	157,425	122,698
Missionary conference 2017	65,439	-	65,439	-
Purchases - bibles & books	-	415	415	2,714
Youth camp (Cebu)	1,187	-	1,187	-
	<b>270,578</b>	<b>66,484</b>	<b>337,062</b>	<b>271,491</b>

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



**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Note	Unrestricted fund	Restricted funds	Total funds	Total funds
		2017	2017	2017	2016
		\$	\$	\$	\$
<b>Less: Governance and administrative costs</b>					
Advertising		-	2,854	2,854	8,135
Auditors' fee		5,900	-	5,900	2,400
Anniversary expenses		877	-	877	-
Bank charges		2,554	327	2,881	3,183
Course fee		-	329	329	-
Computer/equipment accessories		-	3,348	3,348	3,757
Christmas/anniversary/meetings		10,830	3,305	14,135	10,628
CPF contribution		47,207	7,118	54,325	49,664
Depreciation of property, plant and equipment	4	151	63,979	64,130	62,635
Disposal fee		-	717	717	833
General expense		307	1,071	1,378	1,819
Hiring of lorry		-	257	257	1,287
Insurance		6,241	4,240	10,481	7,354
Medical fees		500	-	500	130
Newspaper subscription		-	748	748	806
Printing and stationery		10,914	14,335	25,249	10,989
Property tax		2,340	-	2,340	2,340
Professional fee		1,072	-	1,072	-
Postage		57	1,289	1,346	2,446
Publication expenses		-	17,762	17,762	21,818
Refreshments and hospitality		1,762	22,637	24,399	26,983
Rental of premises		166,021	88,800	254,821	262,141
Rental of equipment		-	71	71	-
Rental of storage-server		-	2,568	2,568	2,568
Repair and maintenance		4,867	2,316	7,183	8,772
Skill development levy		838	164	1,002	907
Staff remuneration		334,830	46,337	381,167	356,740
Stamp duty		-	57	57	57
Subscription		-	1,260	1,260	1,057
Telephone expenses		4,096	4,967	9,063	8,610
Books and CDs		623	-	623	381
Transportation expenses		724	1,981	2,705	2,030
Travelling expenses		683	22	705	8,745
<i>Balance carried forward to next page</i>		<b>603,394</b>	<b>292,859</b>	<b>896,253</b>	869,215

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

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Unrestricted fund	Restricted funds	Total funds	Total funds
	2017	2017	2017	2016
	\$	\$	\$	\$
<b>Less: Governance and administrative costs</b> (cont'd)				
<i>Balance brought forward from previous page</i>	<b>603,394</b>	<b>292,859</b>	<b>896,253</b>	869,215
Tools and equipment	-	<b>159</b>	<b>159</b>	4,999
Upkeep of motor vehicles	<b>17,679</b>	<b>17,318</b>	<b>34,997</b>	41,336
Utilities	<b>4,728</b>	<b>11,955</b>	<b>16,683</b>	18,695
Van expenses	-	-	-	1,247
Web radio ministry	-	<b>5,000</b>	<b>5,000</b>	-
Website maintenance	-	<b>2,467</b>	<b>2,467</b>	3,000
	<b>625,801</b>	<b>329,758</b>	<b>955,559</b>	938,492
<b>Surplus for the financial year</b>	<b>99,627</b>	<b>257,703</b>	<b>357,330</b>	920,780

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

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**

**STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Unrestricted fund	Restricted funds							Total funds	
	General fund	Ethiopian van fund	Ethiopian building fund	Bible Institute International fund	Printing machine fund	Vehicles fund	Care Ministry fund	Bible Witness fund		Building fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
As at 1 July 2015	311,100	1,247	737	27,420	40,127	108,336	89,664	86,954	1,418,474	2,084,059
(Deficit)/surplus for the financial year	(44,340)	(1,247)	-	(11,082)	(10,593)	(26,240)	(18,986)	(7,672)	1,040,940	920,780
As at 30 June 2016	266,760	-	737	16,338	29,534	82,096	70,678	79,282	2,459,414	3,004,839
Surplus/(deficit) for the financial year	99,627	-	-	(8,179)	(10,591)	(26,533)	5,511	20,403	277,092	357,330
<b>As at 30 June 2017</b>	<b>366,387</b>	<b>-</b>	<b>737</b>	<b>8,159</b>	<b>18,943</b>	<b>55,563</b>	<b>76,189</b>	<b>99,685</b>	<b>2,736,506</b>	<b>3,362,169</b>

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

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Surplus for the financial year		357,330	920,780
Adjustments for:			
Depreciation of property, plant and equipment	4	64,130	62,635
Interest income		(30,188)	(12,197)
Operating surplus before working capital changes		<u>391,272</u>	<u>971,218</u>
Adjustments for changes in working capital:			
Inventories		38	645
Other receivables		6,330	492
Other payables		42,254	13,197
Cash flows from operation		<u>439,894</u>	<u>985,552</u>
Interest received		25,540	12,197
<b>Net cash flows generated from operating activities</b>		<u><u>465,434</u></u>	<u><u>997,749</u></u>
<b>Cash flow from investing activity</b>			
Acquisition of property, plant and equipment	4	(17,946)	(4,483)
<b>Net cash flows used in investing activity</b>		<u>(17,946)</u>	<u>(4,483)</u>
<b>Net changes in cash and cash equivalents</b>		<b>447,488</b>	<b>993,266</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<u><b>2,550,713</b></u>	<u><b>1,557,447</b></u>
<b>Cash and cash equivalents at end of financial year</b>	7	<u><u><b>2,998,201</b></u></u>	<u><u><b>2,550,713</b></u></u>

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

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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

**1. GENERAL INFORMATION**

Gethsemane Bible-Presbyterian Church (the “Church”) is established under the Societies Act, Chapter 311 and Charities Act, Chapter 37 and domiciled in the Republic of Singapore.

The registered address and principal place of operation of the Church is located at 510, Geylang Road, #02-06, Singapore 389466.

The principal activities of the Church are worship, Lord’s supper, baptism, weddings, funerals, fellowship & discipleship, evangelism & missions and stewardship & counselling.

The main objectives of the Church are:

- (a) The salvation of souls;
- (b) The edification of Christians through the teaching of God’s Word;
- (c) The promotion of godly worship;
- (d) The defence of “the faith which was once delivered unto the saints”;
- (e) The establishment and extension of Christian mission and institutions (including Childcare Centre and Kindergarten) for the furtherance of God’s Kingdom on earth;
- (f) The promotion of Christian relief for the poor and needy; and
- (g) The strengthening of mutual fellowship, encouragement and unity among other fundamental and Bible-believing churches of similar stand “for the Word of God and for the testimony of Jesus Christ”

The financial statements of the Church for the financial year ended 30 June 2017 were authorised for issue by the Management Committee on the date of the statement by the Management Committee.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The financial statements of the Church have been prepared 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.

**2.2 Changes in accounting policies**

On 01 July 2016, the Church has adopted all the new and revised standards and Interpretations of FRSs (INT FRSs) that are effective for annual periods beginning on or after 01 July 2016. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Church.

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

2.3 New or revised accounting standards and interpretations

Certain new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 01 July 2017 and which the Church has not early applied in preparing these financial statements. None of these are expected to have significant impact on the Church's financial statements.

2.4 Foreign currency

Presentation and functional currency

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

Currency translation

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

2.5 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

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.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual value, estimated useful life and depreciation method are reviewed at each reporting date and adjusted prospectively, if appropriate.

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

2.5 Property, plant and equipment (cont'd)

Depreciation is computed on the straight-line method to write-off the cost of the property, plant and equipment over its estimated useful lives. The estimated useful lives of the property, plant and equipment are as follows:

	<u>Estimated useful lives</u>
Church resource centre	30 years
Motor vehicles	10 years
Printing machine	3 years
Furniture and fittings	3 years
Electrical and office equipment	3 years
Audio visual and musical equipment	3 years
Computers	1-3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.6 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset 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.

An impairment loss for an asset is reversed if, and 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. 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.

2.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out basis, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing condition. Where necessary, allowance is made for obsolete, damaged and slow-moving inventories to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

2.8 Loans and receivables

Loans and receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Church has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and fixed deposits that are subjected to an insignificant risk of changes in value. The carrying amounts of these assets approximate their fair value.

2.10 Impairment of financial assets

The Church assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through an allowance account. The amount of the loss is recognised in the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease related objectively to an event after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit or loss, to the extent that the carrying value of asset does not exceed its amortised cost at the reversal date.

2.11 Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Church becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.



**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

2.12 Provisions

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

2.13 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Church and the income can be reliably measured and when the specific criteria for each of the Church's activities are met as follows:

Collections, offerings and tithes, and gifts

Offerings donations, tithes and gifts are recognised upon receipt.

Event income

Event income includes bible witness 12<sup>th</sup> retreat, Far Eastern Bible College ("FEBC") students' support, missionary conference 2017 and mission support which are recognised on receipt basis.

Sale of goods

Sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods.

Service income

Service income is recognised upon performance of the services.

Interest income

Interest income is recognised on accrual basis using the effective interest method.

Other income

Other income is recognised on receipt basis.

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

2.14 Operating leases

When the Church is a lessee

Leases where substantially all of the risks and rewards incidental to the ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease term.

Contingent rents are recognised as expense in profit or loss when incurred.

2.15 Employee benefits

Defined contribution plan

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

Short-term benefits

All short-term benefits including accumulating compensated absences are recognised in profit or loss in the period in which the employees rendered their services to the Church.

2.16 Taxation

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

2.17 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a related entity.

(b) An entity is related to the reporting entity if any of the following condition applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to others);
- (ii) One of the entities is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint venture of the same third party;

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

2.17 Related parties (cont'd)

(b) An entity is related to the reporting entity if any of the following condition applies:

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (of or a parent of the entity).

For the purpose of the financial statements related parties are considered to be related to the Church if the Church has the ability, directly or indirectly, to control or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Church and the party are subject to common control or common significant influence.

2.18 Key management personnel

Key management personnel of the Church are those persons having the authority and responsibility for planning, directing and controlling the activities of the Church, whether directly or indirectly. The Management Committee is considered as key management personnel of the Church.

2.19 Contingencies

A contingent liability is 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 a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and assets are not recognised on the statement of financial position of the Church.

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

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**3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Church's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**3.1 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets

Non-financial assets including investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that the assets may be impaired. The Church considers the guidance of FRS 36 Impairment of Assets in assessing whether there is any objective evidence or indication that the above asset may be impaired. This assessment requires significant judgement.

Based on the assessment performed by management, management has concluded that there is no objective evidence or indication that the above assets may be impaired. The carrying amount of property, plant and equipment is disclosed in Note 4 of the financial statements.

**3.2 Judgements made in applying accounting policy**

Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**4. PROPERTY, PLANT AND EQUIPMENT**

	Church resource centre \$	Motor vehicles \$	Printing machine \$	Furniture and fixtures \$	Electrical and office equipment \$	Audio visual and musical equipment \$	Computers \$	Total \$
<b><u>Cost</u></b>								
As at 01.07.2015	556,663	283,654	31,777	36,490	3,536	53,289	50,528	1,015,937
Additions	-	-	-	-	-	-	4,483	4,483
As at 30.06.2016	556,663	283,654	31,777	36,490	3,536	53,289	55,011	1,020,420
Additions	-	-	-	-	-	13,312	4,634	17,946
<b>As at 30.06.2017</b>	<b>556,663</b>	<b>283,654</b>	<b>31,777</b>	<b>36,490</b>	<b>3,536</b>	<b>66,601</b>	<b>59,645</b>	<b>1,038,366</b>
<b><u>Accumulated depreciation</u></b>								
As at 01.07.2015	216,479	132,193	10,593	36,490	3,536	53,289	43,273	495,853
Depreciation	18,555	28,365	10,593	-	-	-	5,122	62,635
As at 30.06.2016	235,034	160,558	21,186	36,490	3,536	53,289	48,395	558,488
Depreciation	18,556	26,533	10,591	-	-	2,962	5,488	64,130
<b>As at 30.06.2017</b>	<b>253,590</b>	<b>187,091</b>	<b>31,777</b>	<b>36,490</b>	<b>3,536</b>	<b>56,251</b>	<b>53,883</b>	<b>622,618</b>
<b><u>Net carrying amount</u></b>								
<b>As at 30.06.2017</b>	<b>303,073</b>	<b>96,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,350</b>	<b>5,762</b>	<b>415,748</b>
As at 30.06.2016	321,629	123,096	10,591	-	-	-	6,616	461,932

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

The depreciation charge is distributed as follows:

	<b>2017</b>	2016
	\$	\$
Unrestricted - General fund	<b>151</b>	-
Restricted - Building fund	<b>18,556</b>	18,555
Restricted - Bible witness fund	<b>4,672</b>	1,495
Restricted - Bible institute international fund	<b>3,627</b>	3,627
Restricted - Printing machine fund	<b>10,591</b>	10,593
Restricted - Vehicles fund	<b>26,533</b>	28,365
	<b>64,130</b>	62,635

The Church resource centre with net carrying amount of \$303,073 (2016: \$321,629) is held in trust by the trustee in the joint name of Choy Weng Heng, Neo Kian Seng and Yap Thiam Teng, Stephen.

**5. INVENTORIES**

	<b>2017</b>	2016
	\$	\$
<u>Statement of financial position</u>		
Finished goods, at cost	<b>4,787</b>	4,825
<u>Statement of financial activities</u>		
Inventories recognised as an expenses in cost of generating funds	<b>415</b>	2,714

**6. OTHER RECEIVABLES**

	<b>2017</b>	2016
	\$	\$
Deposits	<b>22,037</b>	28,037
Interest receivable	<b>4,648</b>	-
Prepayments	-	3,842
Sundry debtor	<b>5,705</b>	2,193
	<b>32,390</b>	34,072

Other receivables are unsecured, non-interest earning, short-term in nature and are denominated in the Singapore dollar.

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**7. CASH AND CASH EQUIVALENTS**

	<b>2017</b>	<b>2016</b>
	\$	\$
Cash on hand	<b>2,400</b>	2,400
Cash at bank	<b>970,596</b>	548,313
Fixed deposits	<b>2,025,205</b>	2,000,000
	<u><b>2,998,201</b></u>	<u>2,550,713</u>

Fixed deposits are placed at tenure ranging from 4 months to 6 months (2016: 4 months to 6 months) and earn an interest of ranging from 0.90% to 1.15% (2016: 1.43% to 1.45% ) per annum.

Cash and cash equivalents as at the end of the reporting period are denominated in the Singapore dollar.

**8. OTHER PAYABLES**

	<b>2017</b>	<b>2016</b>
	\$	\$
Accrued operating expenses	<b>27,315</b>	23,698
Sundry creditors	<b>61,642</b>	23,005
	<u><b>88,957</b></u>	<u>46,703</u>

Other payables are unsecured, non-interest bearing, short-term in nature and are denominated in the Singapore dollar.

**9. UNRESTRICTED FUND**

Unrestricted fund is a general fund set up to finance the operation and all other expenses to carry on the missions of the Church.

Movement of unrestricted fund are as follows:

	<b>2017</b>	<b>2016</b>
	\$	\$
At beginning of financial year	<b>266,760</b>	311,100
Receipt for the financial year	<b>996,006</b>	764,959
Expenditures for the financial year	<b>(896,379)</b>	(809,299)
	<u><b>366,387</b></u>	<u>266,760</u>

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**10. RESTRICTED FUNDS**

Restricted funds relates to those funds received from donors who had specified the specific usage of the funds in the furtherance of the objective of the Church.

Movement of restricted funds are as follows:

	Opening balance \$	Income \$	Expenses \$	Closing balance \$
<b>Restricted funds:</b>				
Ethiopian building fund <sup>①</sup>	737	-	-	737
Bible Institute International fund <sup>②</sup>	16,338	2,776	10,955	8,159
Printing machine fund <sup>③</sup>	29,534	-	10,591	18,943
Vehicles fund <sup>④</sup>	82,096	-	26,533	55,563
Care ministry fund <sup>⑤</sup>	70,678	266,777	261,266	76,189
Bible witness fund <sup>⑥</sup>	79,282	88,720	68,317	99,685
Building fund <sup>⑦</sup>	2,459,414	295,672	18,580	2,736,506
<b>Total restricted funds</b>	<b>2,738,079</b>	<b>653,945</b>	<b>396,242</b>	<b>2,995,782</b>

<sup>①</sup>Ethiopian building fund was set-up in 2008 to accumulate funds for the purpose of acquisition of premises in Ethiopia for Gethsemane Bible-Presbyterian Church of Ethiopia.

<sup>②</sup>Bible Institute International fund was set up to support the spiritual walk and growth of Christians through education and training.

<sup>③</sup>Printing machine fund was set up in 2010 to accumulate funds for the purpose of acquisition of printing machine.

<sup>④</sup>Vehicles fund was set up to accumulate funds for the acquisition of vehicle for the Church.

<sup>⑤</sup>Care ministry fund was set up to support the Church's efforts in reaching out to ex-offenders for their spiritual restoration and re-integration into society.

<sup>⑥</sup>Bible witness fund was set up to support the publication and distribution of Christian materials.

<sup>⑦</sup>Building fund was set up in 1994 to accumulate funds for the acquisition of premises for the Church and maintenance of the Church resource centre.

**11. TAXATION**

The Church is registered as an exempt charity under the Charities Act, Chapter 37. By virtue of section 13(1)(zm) of the Income Tax Act Cap 134, the Church is exempted from income tax.



**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**12. OVERSEAS TRANSACTIONS**

In addition to information disclosed elsewhere in the financial statements, the following significant expenditure remitted to, spent in, or benefit locations outside Singapore are as follows:

<u>Country</u>	<u>Nature of expenses</u>	<b>2017</b> \$	2016 \$
Africa	Rental and students support	<b>66,718</b>	41,275
Philippines	Rental and students support	<b>70,627</b>	61,566
Malaysia	Gifts	<b>19,200</b>	17,600
		<b><u>156,545</u></b>	<u>120,441</u>

**13. RELATED PARTY TRANSACTIONS**

In addition to the related party information disclosed elsewhere in the financial statements, the Church carried out the following transactions with the related party on terms between the parties during the financial year:

	<b>2017</b> \$	2016 \$
<u>Compensation of key management personnel:</u>		
<i>Short-term employee benefits:</i>		
- Salaries and related costs	<b>41,600</b>	41,600
- CPF contribution	<b>7,072</b>	7,072
	<b><u>48,672</u></b>	<u>48,672</u>

**14. OPERATING LEASE COMMITMENTS**

The Church leases premises from non-related parties under non-cancellable operating lease agreements. The leases are for a period of 1-2 years with same lease agreements having the option to renew. There is no contingent rent provision indicated in the lease agreement.

The future minimum lease payable under non-cancellable operating lease contracted for at the end of the reporting period but not recognised as liability is as follows:

	<b>2017</b> \$	2016 \$
Not later than one year	<b>104,300</b>	78,000
Later than one year but not later than five years	<b>-</b>	16,250
	<b><u>104,300</u></b>	<u>94,250</u>

Rental expense incurred during the financial year inclusive of 7% GST is \$254,821 (2016: \$262,141).

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**15. FUNDS MANAGEMENT**

The primary objective of the Church's funds management is to ensure that the funds received are properly managed and used to support its operations.

The Church manages its funds structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2017 and 30 June 2016 respectively.

**16. FINANCIAL RISK MANAGEMENT AND FAIR VALUE**

**16.1 Financial risk management**

The Church is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk. The Committee members review and agree on policies and procedures for the management of these risks, which are executed by the management.

The following provides details regarding the Church's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

Liquidity risk

In the management of liquidity risk, the Church monitors and maintains a level of cash and bank balances deemed adequate by the Church to finance its operations and mitigate the effects of fluctuations in cash flows.

All financial liabilities in the statement of financial position are repayable within one year from the reporting date.

**16.2 Fair value of financial assets and financial liabilities**

The carrying amounts of other receivables (Note 6, excluding prepayments), cash and cash equivalents (Note 7) and other payables (Note 8) are assumed to approximate their respective fair values due to the relatively short term maturity of these financial instruments.

**16.3 Financial instruments by category**

The following table sets out the financial instruments as at the end of the reporting period:

	<b>2017</b>	2016
	\$	\$
<u>Financial assets:</u>		
Other receivables (Note 6)	<b>32,390</b>	34,072
Cash and cash equivalents (Note 7)	<b>2,998,201</b>	2,550,713
Less: Prepayments (Note 6)	-	(3,842)
<b>Total loans and receivables at amortised costs</b>	<b><u>3,030,591</u></b>	<u>2,580,943</u>

**GETHSEMANE BIBLE-PRESBYTERIAN CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**16. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Cont'd)**

16.3 Financial instruments by category (cont'd)

	<b>2017</b>	2016
	\$	\$
<u>Financial liability:</u>		
Other payables (Note 8), representing		
<b>financial liability carried at amortised cost</b>	<b>88,957</b>	46,703

**17. COMPARATIVE FIGURES**

Certain representations have been made to the prior financial year's financial statements to enhance comparability with current financial year's financial statements. As a result, certain line items have been amended on the face of the statement of financial activities and the related notes to the financial statements.

	<b>As re-presented 2016</b>	As previously stated 2016
	\$	\$
<u>Statement of financial activities (summarised)</u>		
Income	<b>2,130,763</b>	1,081,005
Expenses	-	(1,151,223)
Cost of generating funds	<b>(271,491)</b>	-
Governance and administrative costs	<b>(938,492)</b>	-