

ZION LIVING STREAMS COMMUNITY CHURCH
(Unique Entity Number (“UEN”): S98SS0054C)
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

FINANCIAL STATEMENTS

CONTENTS

	PAGE
GENERAL INFORMATION	2
STATEMENT BY THE MANAGEMENT COMMITTEE	3
INDEPENDENT AUDITOR'S REPORT	4
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
STATEMENTS OF FINANCIAL POSITION	8
STATEMENTS OF MOVEMENTS IN FUNDS	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

GENERAL INFORMATION

COMMITTEE

Ong Boon Chuan - Chairman
Low Kam Fook - Vice Chairman
Low Li Cheng Stephanie - Honorary Treasurer
Zhou Dong Xia - Honorary Assistant Treasurer
Tan Hua Rong Benedict - Honorary Secretary
Wilfred Tay Teng Huat - Member
Lim Li Chen Ruth - Member
Tan Tak Wei Philip - Member
Tan Ng Hee - Member
Giam Shi Xiong Derek - Member
Long Say Tong Jimmie - Trustee
Goh Shaoming, Samuel (Wu Shaoming)

**REGISTERED OFFICE
AND PLACE OF ACTIVITIES**

50 Serangoon North Avenue 4
#07-01 First Centre
Singapore 555856

AUDITOR

A Garanzia LLP

BANKERS

DBS Bank Limited
Maybank Singapore Limited

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

- (i) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of movements in funds and consolidated statement of cash flows are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Society as at 30 November 2023 and the consolidated financial performance, consolidated movements in funds and consolidated cash flows of the Group and movements in funds of the Society for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

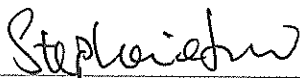
On behalf of the Management Committee



Ong Boon Chuan
Chairman

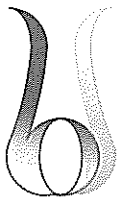


Tan Hua Rong Benedict
Secretary



Low Li Cheng Stephanie
Treasurer

Singapore, 3 MAY 2024



INDEPENDENT AUDITOR'S REPORT
TO THE COMMITTEE OF ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zion Living Streams Community Church (the Society) and its subsidiary (collectively, the Group), which comprise the statements of financial position of the Group and the Society as at 30 November 2023, and the statements of movements in funds of the Group and the Society and the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of the movements in funds of the Society are properly drawn up in accordance with the provisions of the Societies Act 1966, the Charities Act 1994 (the Acts) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Society as at 30 November 2023 and the consolidated financial performance, consolidated movements in funds and consolidated cash flows of the Group and movements in funds of the Society for the financial year then 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 Group 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 committee is responsible for the other information detailed in the Statement by the Management Committee.

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 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 COMMITTEE OF ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
(CONT'D)

Responsibilities of Management Committee for the Financial Statements

Management committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Acts and FRSSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management committee is responsible for assessing the Group'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 committee either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The management committee's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

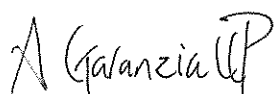
INDEPENDENT AUDITOR'S REPORT
TO THE COMMITTEE OF ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
(CONT'D)

- 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 material doubt on the Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Society and by the subsidiary incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.



A Garanzia LLP
Public Accountants and
Chartered Accountants
Singapore

3 MAY 2024

201123 \ Audit Ye2023BO

ZION LIVING STREAMS COMMUNITY CHURCH
 (Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Revenue	(3)	297,584	306,054
Operating expenses		(312,667)	(304,633)
(Deficit) / surplus before income tax	(4)	(15,083)	1,421
Income tax	(5)	-	-
(Deficit) / surplus for the financial year		(15,083)	1,421
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive (loss) / income for the financial year		(15,083)	1,421

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

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2023

		<u>Group</u>		<u>Society</u>	
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		S\$	S\$	S\$	S\$
RETAINED EARNINGS		182,508	197,591	303,202	297,729
BUILDING FUND		976,540	999,250	976,540	999,250
		1,159,048	1,196,841	1,279,742	1,296,979
Represented by:					
NON-CURRENT ASSETS					
Property, plant and equipment	(6)	10,383	28,336	174,364	45,430
Investment property	(7)	971,726	994,107	-	-
Investment in subsidiary company	(8)	-	-	2	2
Amount due from subsidiary company	(9)	-	-	1,070,171	1,068,384
Fixed deposits	(12)	-	40,000	-	40,000
		982,109	1,062,443	1,244,537	1,153,816
CURRENT ASSETS					
Other receivable	(10)	2,588	1,063	2,588	1,063
Amount due from subsidiary	(9)	-	-	20,375	20,411
Other current assets	(11)	5,537	4,154	7,104	5,724
Fixed deposits	(12)	140,813	140,341	140,813	140,341
Cash and cash equivalents	(13)	62,497	24,957	60,476	22,398
		211,435	170,515	231,356	189,937
LESS: CURRENT LIABILITIES					
Other payables	(14)	25,511	26,563	20,797	19,868
Interest-bearing loans and borrowings	(15)	2,610	2,553	37,039	19,905
		28,121	29,116	57,836	39,773
NET CURRENT ASSETS		183,314	141,399	173,520	150,164
LESS: NON-CURRENT LIABILITIES					
Interest-bearing loans and borrowings	(15)	6,375	7,001	138,315	7,001
		1,159,048	1,196,841	1,279,742	1,296,979

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

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

STATEMENTS OF MOVEMENTS IN FUNDS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

<u>Group</u>	<u>Retained earnings</u> S\$	<u>Building fund</u> S\$	<u>Total</u> S\$
Balance at 1 December 2021	196,170	1,021,960	1,218,130
Total comprehensive income for the financial year	1,421	-	1,421
Amortisation of building fund	-	(22,710)	(22,710)
Balance at 30 November 2022	197,591	999,250	1,196,841
Total comprehensive loss for the financial year	(15,083)	-	(15,083)
Amortisation of building fund	-	(22,710)	(22,710)
Balance at 30 November 2023	<u>182,508</u>	<u>976,540</u>	<u>1,159,048</u>
<u>Society</u>	<u>Retained earnings</u> S\$	<u>Building fund</u> S\$	<u>Total</u> S\$
Balance at 1 December 2021	270,922	1,021,960	1,292,882
Total comprehensive income for the financial year	26,807	-	26,807
Amortisation of building fund	-	(22,710)	(22,710)
Balance at 30 November 2022	297,729	999,250	1,296,979
Total comprehensive income for the financial year	5,473	-	5,473
Amortisation of building fund	-	(22,710)	(22,710)
Balance at 30 November 2023	<u>303,202</u>	<u>976,540</u>	<u>1,279,742</u>

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

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Cash flows from operating activities		
(Deficit) / surplus before income tax	(15,083)	1,421
Adjustments for:		
Amortisation of building fund	(22,710)	(22,710)
Depreciation of property, plant and equipment	23,564	24,230
Depreciation of investment property	22,381	22,381
Interest expense on lease liabilities	526	555
Bank interest income	(19)	(20)
Fixed deposit interest income	(3,937)	(1,225)
Operating surplus before working fund changes	4,722	24,632
(Increase) / decrease in other current assets	(1,383)	649
(Decrease) / increase in trade and other payables	(1,052)	17,874
Cash generated from operations	2,287	43,155
Income tax paid	-	(86)
Net cash from operating activities	2,287	43,069
Cash flows from investing activities		
Bank interest received	19	20
Fixed deposit interest received	2,412	239
Decrease / (increase) in fixed deposits	39,528	(49,658)
Purchase of plant and equipment	(3,730)	-
Net cash from / (used in) investing activities	38,229	(49,399)
Cash flows from financing activities		
Principal repayment of lease liabilities	(2,450)	(2,398)
Interest paid on lease liabilities	(526)	(555)
Net cash used in financing activities	(2,976)	(2,953)
Net increase / (decrease) in cash and cash equivalents	37,540	(9,283)
Cash and cash equivalents at beginning of the financial year	24,957	34,240
Cash and cash equivalents at end of the financial year (Note 13)	62,497	24,957

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

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

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

1. GENERAL INFORMATION AND ACTIVITIES

The Society is Registered under the Societies Act 1966 and Charities Act 1994, Singapore, since 17 June 1998 and on 10 December 1998 registered as a charity under the Charities Act 1994.

The registered office and principal place of activities is at 50 Serangoon North Avenue 4 #07-01 First Centre Singapore 555856.

The purpose of the Society is those relating to propagating and spreading the Gospel of Jesus Christ, promote or participate in promoting the welfare of mankind on Christian Charitable and benevolent principles.

The principal activities of its subsidiary company are described in Note 8 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of movements in funds of the Society have been prepared in accordance with Singapore Financial Reporting Standards (FRSs) as required by the Societies Act 1966 and the Charities Act 1994.

The financial statements, which are presented in Singapore Dollar (S\$), have been prepared on historical cost basis except as disclosed in the accounting policies below.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous financial year.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of profit or loss during the financial year. Although these estimates are based on the Group's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in the accounting policies below.

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for the current financial year.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) Basis of preparation (cont'd)

The Group has not applied the following new / revised FRSs or interpretations that have been issued as of the reporting date but are not yet effective:

<u>Descriptions</u>	<u>Effective for annual years beginning on or after</u>
Amendments to FRS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116: Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1: Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7: Statement of Cash Flows and FRS 107 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The management committee expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Society and its subsidiary as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Society.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Functional currency

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the Group (the functional currency). The consolidated financial statements are presented in Singapore Dollar (S\$), which is the functional currency of the Society and the subsidiary company.

(d) Revenue

Revenue is measured based on the consideration to which the Group 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 Group 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.

Assembly fund has been recognised on receipt basis.

Interest income is recognised using the effective interest method.

Government grant shall be recognised in the profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants relating to income should be presented as part of profit or loss, either separately or under a general heading such as "other income". Alternatively, they may be deducted in reporting the related expense.

(e) Employee benefits

Employment pension benefits

The Group participates in the national pension scheme by making contributions to the Central Provident Fund (CPF). The contributions to CPF are recognised as an expense in the period in which the related service is performed.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals is capitalised and expenditure for maintenance and repairs is charged to the profit or loss. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

ZION LIVING STREAMS COMMUNITY CHURCH
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Property, plant and equipment (cont'd)

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 arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Depreciation of property, plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

Air-conditioner	3 years
Furniture and fittings	3 years
Leasehold property	2 years
Musical instruments	3 years
Office equipment	3 - 5 years
Renovation	3 years

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted prospectively as appropriate, at each financial year end.

(h) Investment property

Investment properties are properties that are either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment property is initially measured at cost, including transaction costs.

Subsequent to recognition, investment property is carried at cost less accumulated depreciation.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

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

Leasehold building	48 years
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Depreciation methods, useful lives and residual values are reviewed, and adjusted prospectively as appropriate, at each financial year end.

ZION LIVING STREAMS COMMUNITY CHURCH
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(i) Financial instruments

(a) Financial assets

Initial recognition and measurement

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at 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.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group'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 amortised cost, FVOCI and FVPL.

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 the amortisation process.

Derecognition

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 Group becomes a party to the contractual provisions of the financial instrument. The Group 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.

ZION LIVING STREAMS COMMUNITY CHURCH
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AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(i) Financial instruments

(b) Financial liabilities (cont'd)

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.

Derecognition

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.

(j) Impairment of financial assets

The Group 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 Group 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.

ECLs are recognised in two stages. For credit exposures for which there has not been a material 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 material 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).

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(k) Impairment of non-financial assets

The Group 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 Group makes an estimate of the asset's recoverable amount.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(k) Impairment of non-financial assets (cont'd)

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.

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.

(l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash and bank balances, which are subject to an immaterial risk of change in value.

(m) Leases

The Group 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.

Group as a lessee

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

Right-of-use assets

The Group 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.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(m) Leases (cont'd)

Group as a lessee (cont'd)

If ownership of the leased asset transfers to the Group 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(k). The Group's right-of-use asset are presented within property, plant and equipment (Note 6).

Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group lease liabilities included in interest-bearing loans and borrowings (Note 15).

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) 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 Group and Society if that person:
 - (i) has control or joint control over the Society;
 - (ii) has influence over the Society; or
 - (iii) is a member of the key management personnel of the Group or Society or of a parent of the Society.

- (b) An entity is related to the Group and Society if any of the following conditions applies:
 - (i) the entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity 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;
 - (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 Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources embodying economic benefits and will be required to settle the obligation and a reliable estimate can be established on the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

3. REVENUE

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	S\$		S\$
Assembly fund	270,618		276,865
Amortisation of building fund	22,710		22,710
Bank interest income	19		20
Fixed deposit interest income	3,937		1,225
CPF Transition Offset	300		-
Jobs Support Scheme	-		171
Wage Credit Scheme	-		4,863
Other income	-		200
	<u>297,584</u>		<u>306,054</u>

4. (DEFICIT) / SURPLUS BEFORE INCOME TAX

Expenses recognised in profit or loss included the following:

	<u>Note</u>	<u>2023</u>	<u>Group</u>	<u>2022</u>
		S\$		S\$
Depreciation of investment property	7	22,381		22,381
Depreciation of plant and equipment	6	23,564		24,230
Employee compensation				
- CPF		23,543		22,235
- Staff incentives		300		300
- Staff salaries and bonus		140,585		134,910
- Transport allowance		9,600		9,600
Interest expense on lease liabilities	15	526		555
Mission expenses		<u>31,352</u>		<u>31,886</u>

5. INCOME TAX

The income tax on (deficit) / surplus differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	S\$		S\$
(Deficit) / surplus before income tax	<u>(14,893)</u>		<u>1,421</u>
Tax calculated at a tax rate of 17% (2022: 17%)	(2,532)		241
Effects of:			
- Expenses not deductible for tax purposes	2,532		-
- Income tax deductible for tax purposes	<u>-</u>		<u>(241)</u>
	<u>-</u>		<u>-</u>

The Society has been registered as a charity organisation under Charities Act 1994, and is exempted from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

6. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	<u>Air- conditioner</u> S\$	<u>Furniture and fittings</u> S\$	<u>Musical instruments</u> S\$	<u>Office equipment</u> S\$	<u>Renovation</u> S\$	<u>Total</u> S\$
<u>Cost</u>						
Balance at 1 December 2021	-	64,915	3,360	15,978	208,630	292,883
Additions	-	-	-	-	-	-
Balance at 30 November 2022	-	64,915	3,360	15,978	208,630	292,883
Additions	3,730	-	-	-	-	3,730
Lease modification	-	-	-	1,881	-	1,881
Balance at 30 November 2023	3,730	64,915	3,360	17,859	208,630	298,494
<u>Accumulated depreciation</u>						
Balance at 1 December 2021	-	63,424	3,360	3,227	170,306	240,317
Depreciation charge for the financial year	-	1,491	-	3,577	19,162	24,230
Balance at 30 November 2022	-	64,915	3,360	6,804	189,468	264,547
Depreciation charge for the financial year	1,243	-	-	3,159	19,162	23,564
Balance at 30 November 2023	1,243	64,915	3,360	9,963	208,630	288,111
<u>Net carrying amount</u>						
As at 31 November 2023	2,487	-	-	7,896	-	10,383
As at 31 November 2022	-	-	-	9,174	19,162	28,336

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<u>Society</u>	<u>Air-conditioner</u> S\$	<u>Furniture and fittings</u> S\$	<u>Leasehold property</u> S\$	<u>Musical instruments</u> S\$	<u>Office equipment</u> S\$	<u>Renovation</u> S\$	<u>Total</u> S\$
Cost							
Balance at 1 December 2021	-	64,915	114,191	3,360	15,978	208,630	407,074
Lease modification	-	-	41,027	-	-	-	41,027
Balance at 30 November 2022	-	64,915	155,218	3,360	15,978	208,630	448,101
Additions	3,730	-	185,639	-	-	-	189,369
Lease modification	-	-	-	-	1,881	-	1,881
Balance at 30 November 2023	3,730	64,915	340,857	3,360	17,859	208,630	639,351
Accumulated depreciation							
Balance at 1 December 2021	-	63,424	98,253	3,360	3,227	170,306	338,570
Depreciation charge for the financial year	-	1,491	39,871	-	3,577	19,162	64,101
Balance at 30 November 2022	-	64,915	138,124	3,360	6,804	189,468	402,671
Depreciation charge for the financial year	1,243	-	38,752	-	3,159	19,162	62,316
Balance at 30 November 2023	1,243	64,915	176,876	3,360	9,963	208,630	464,987
Net carrying amount							
As at 31 November 2023	2,487	-	163,981	-	7,896	-	174,364
As at 31 November 2022	-	-	17,094	-	9,174	19,162	45,430

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16(a).

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

7. INVESTMENT PROPERTY

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	S\$		S\$
<u>Cost</u>			
Balance at beginning of the financial year	1,078,036		1,078,036
Additions	-		-
Balance at end of the financial year	1,078,036		1,078,036
<u>Accumulated depreciation and impairment loss</u>			
Balance at beginning of the financial year	83,929		61,548
Depreciation charge for the financial year	22,381		22,381
Balance at end of the financial year	106,310		83,929
Net carrying amount	971,726		994,107
Fair value	1,049,745		1,049,745

The above investment property is a leasehold property with an unexpired lease term of 44 years and known as 50 Serangoon North Avenue 4 #07-01 First Centre Singapore 555856. This has been used as investment property to generate rental income.

The following amounts are recognised in statement of profit or loss of subsidiary:

	<u>2023</u>	<u>Group</u>	<u>2022</u>
	S\$		S\$
Rental income charged to holding company	42,000		42,000
Direct operating expenses (including maintenance and other expenses arising from rental generating property)	58,781		58,005

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

7. INVESTMENT PROPERTY (CONT'D)

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The Group categories 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 Company 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.

The fair value of the property is based on the average sales transaction price in the same building in the past 12 months. This is identified as a Level 2 inputs valuation.

8. INVESTMENT IN SUBSIDIARY COMPANY

		<u>Society</u>				
		<u>2023</u>		<u>2022</u>		
		S\$		S\$		
Unquoted equity shares, at cost		<u>2</u>		<u>2</u>		
<u>Name of company</u>	<u>Principal activity</u>	<u>Country of incorporation and place of business</u>	<u>Effective equity held by the Society</u>		<u>Cost of investment</u>	
			<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
			%	%	S\$	S\$
TDY Pte. Ltd.	Investment holding	Singapore	100	100	<u>2</u>	<u>2</u>

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

9. AMOUNT DUE FROM SUBSIDIARY COMPANY

<u>Society</u>	<u>2023</u>	<u>2022</u>
	S\$	S\$
Current:		
Within one year	20,375	20,411
Non-current:		
After one year but not more than five years	85,703	85,851
More than five years	984,468	982,533
	<u>1,070,171</u>	<u>1,068,384</u>
	<u>1,090,546</u>	<u>1,088,795</u>

Amount due from subsidiary company is recoverable in 120 equal monthly instalments of S\$3,500 each, commencing from 20 February 2019. The effective interest rate is 2% (2022: 2%) per annum.

10. OTHER RECEIVABLES

	<u>Group and Society</u>	
	<u>2023</u>	<u>2022</u>
	S\$	S\$
Fixed deposit interest receivable	2,540	1,063
Cashback	48	-
	<u>2,588</u>	<u>1,063</u>

Other receivables are not past due at the statement of financial position date and not impaired.

11. OTHER CURRENT ASSETS

	<u>Group</u>		<u>Society</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	S\$	S\$	S\$	S\$
Deposits	330	180	3,830	3,680
Prepayment	5,207	3,974	3,274	2,044
	<u>5,537</u>	<u>4,154</u>	<u>7,104</u>	<u>5,724</u>

12. FIXED DEPOSITS

Fixed deposits earn interest ranging from 1.3% - 3.1% (2022: 0.25% - 3.05%) per annum and have maturity period of 4 to 15 months.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

13. CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Society</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Cash in hand	260	1,426	260	1,426
Cash at bank	22,237	23,531	20,216	20,972
Fixed deposits	40,000	-	40,000	-
	<u>62,497</u>	<u>24,957</u>	<u>60,476</u>	<u>22,398</u>

Fixed deposits earn interest of 2.60% per annum. Fixed deposits have a maturity period of 1 month.

14. OTHER PAYABLES

	<u>Group</u>		<u>Society</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Accruals	<u>25,511</u>	<u>26,563</u>	<u>20,797</u>	<u>19,868</u>

15. INTEREST-BEARING LOANS AND BORROWINGS

	<u>Group</u>		<u>Society</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Current:				
Lease liabilities	2,610	2,553	37,039	19,905
Non-current:				
Lease liabilities	6,375	7,001	138,315	7,001
Total	<u>8,985</u>	<u>9,554</u>	<u>175,354</u>	<u>26,906</u>

A reconciliation of liabilities arising from financing activities is as follows:

	<u>Non-cash changes</u>					<u>At</u> <u>30/11/2023</u> S\$
	<u>At</u> <u>1/12/2022</u> S\$	<u>Principal and</u> <u>interest</u> <u>payments</u> S\$	<u>Additional</u> <u>S\$</u>	<u>Lease</u> <u>Modification</u> S\$	<u>Accretion</u> <u>of interest</u> S\$	
<u>Group</u>						
Lease liabilities	9,554	(2,976)	-	1,881	526	8,985
<u>Society</u>						
Lease liabilities	26,906	(44,976)	185,639	1,881	5,904	175,354

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

15. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

	At 1/12/2021 S\$	Principal and interest payments S\$	Additional S\$	Accretion of interest S\$	At 30/11/2022 S\$
				<u>Non-cash changes</u>	
<u>Group</u>					
Lease liabilities	11,952	(2,953)	-	555	9,554
<u>Society</u>					
Lease liabilities	29,304	(44,954)	41,027	1,529	26,906

16. LEASES

The Group and the Society has lease contracts for office premises and office equipment used in its operations. The Group and the Society is restricted from assigning and subleasing the leased assets.

- (a) Carrying amounts of right-of-use assets recognised and the movements during the financial year.

	Leasehold property S\$	Office equipment S\$	Total S\$
<u>Group</u>			
Balance at 1 December 2021	-	11,794	11,794
Depreciation	-	(2,620)	(2,620)
Balance at 30 November 2022	-	9,174	9,174
Lease modification	-	1,881	1,881
Depreciation	-	(3,159)	(3,159)
Balance at 30 November 2023	-	7,896	7,896
<u>Society</u>			
Balance at 1 December 2021	15,938	11,794	27,732
Additions	41,027	-	41,027
Depreciation	(39,871)	(2,620)	(42,491)
Balance at 30 November 2022	17,094	9,174	26,268
Lease modification	-	1,881	1,881
Additions	185,639	-	185,639
Depreciation	(38,752)	(3,159)	(41,911)
Balance at 30 November 2023	163,981	7,896	171,877

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

16. LEASES (CONT'D)

Group as a lessee (cont'd)

(b) Lease liabilities

The carrying amounts of lease liabilities (included in interest-bearing loans and borrowings) and the movements during the year are disclosed in Note 15 and the maturity analysis of lease liabilities is disclosed in Note 19(c).

(c) Amount recognised in profit or loss

	<u>Group</u>		<u>Society</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	S\$	S\$	S\$	S\$
Depreciation of right-of-use assets	3,159	2,620	41,911	42,491
Interest expense on lease liabilities (Note 4)	526	555	5,904	1,529
Total amount recognised in profit or loss	<u>3,685</u>	<u>3,175</u>	<u>47,815</u>	<u>44,020</u>

(d) Total cash outflow

The Group and the Society had total cash outflows for leases of S\$2,976 and S\$44,976 in 2023 (2022: S\$2,953 and S\$44,952) respectively.

17. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties on terms mutually agreed during the financial year are as follows:

	<u>Group</u>		<u>Society</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	S\$	S\$	S\$	S\$
Church council members' remuneration				
- Salaries, bonuses and allowances	125,785	130,385	125,785	130,385
- CPF contributions	21,027	19,829	21,027	19,829
Rental fee charged by subsidiary	-	-	42,000	42,000
Interest income charged to subsidiary	-	-	21,701	21,701

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

18. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	<u>Group</u>		<u>Society</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Financial assets carried at amortised cost				
- Amount due from subsidiary company (Note 9)	-	-	1,090,546	1,088,795
- Other receivable (Note 10)	2,588	1,063	2,588	1,063
- Other current assets (Note 11)	330	180	3,830	3,680
- Fixed deposits (Note 12)	140,813	180,341	140,813	180,341
- Cash and cash equivalents (Note 13)	62,497	24,957	60,476	22,398
	206,228	206,541	1,298,253	1,296,277
<u>Financial liabilities</u>				
Financial liabilities carried at amortised cost				
- Other payables (Note 14)	25,511	26,563	20,797	19,868
- Interest-bearing loans and borrowings (Note 15)	8,985	9,554	175,354	26,906
	34,496	36,117	196,151	46,774

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Society exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The committee members review and agree policies and procedures for the management of this risk, which is also executed by the active members.

The following sections provide the Group's and the Society's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market risk

(a) Currency risk

The Group's and the Society's business operations are not exposed to foreign currency risk as all the transactions and balances are in Singapore Dollar.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) **Market risk (cont'd)**

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Society's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Society's exposure to interest rate risk arises primarily from cash at bank, fixed deposits and interest-bearing loans and borrowings.

The Group and the Society does not have a policy to manage interest rate as interest income / expenses do not constitute a substantial part of the total operating income / expenses.

(c) Price risk

The Group and the Society are not exposed to price risk as it does not hold any listed securities.

(b) **Credit risk**

The Group and the Society is not exposed to credit risk as the Group and the Society does not own financial assets except cash at bank balances and fixed deposit which are placed with reputable financial institutions with high credit ratings and no history of default and amount due from subsidiary company and other receivable which the information has been disclosed in Notes 9 and 10 to the financial statements.

(c) **Liquidity risk**

Liquidity risk is a risk that the Group and the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Society's exposure to liquidity risk arises primarily from mismatches of collections and payments timing. The Group's and the Society's objective is to maintain a balance between funding through business and flexibility through the use of stand-by credit facilities.

The Group's and the Society's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities to pay for liabilities that are due in the next six months.

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) **Liquidity risk (cont'd)**

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations:

<u>Group</u>	<u>2023</u>			
	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>One year or less</u> S\$	<u>One to five years</u> S\$
<u>Financial assets</u>				
Other receivable	2,588	2,588	2,588	-
Other current assets	330	330	330	-
Fixed deposits	140,813	141,776	141,776	-
Cash and cash equivalents	62,497	62,497	62,497	-
Total undiscounted financial assets	206,228	207,191	207,191	-
<u>Financial liabilities</u>				
Other payables	25,511	25,511	25,511	-
Interest-bearing loans and borrowings	8,985	9,699	3,006	6,693
Total undiscounted financial liabilities	34,496	35,210	28,517	6,693
Total net undiscounted financial assets / (liabilities)	171,732	171,981	178,674	(6,693)
<u>Group</u>	<u>2022</u>			
	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>One year or less</u> S\$	<u>One to five years</u> S\$
<u>Financial assets</u>				
Other receivable	1,063	1,063	1,063	-
Other current assets	180	180	180	-
Fixed deposits	180,341	183,170	183,170	-
Cash and cash equivalents	24,957	24,957	24,957	-
Total undiscounted financial assets	206,541	209,370	209,370	-

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) **Liquidity risk (cont'd)**

Analysis of financial instruments by remaining contractual maturities

<u>Group</u>	<u>2022</u>			
	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>One year or less</u> S\$	<u>One to five years</u> S\$
<u>Financial liabilities</u>				
Other payables	26,563	26,563	-	-
Interest-bearing loans and borrowings	9,554	10,430	2,978	7,452
Total undiscounted financial liabilities	<u>36,117</u>	<u>36,993</u>	<u>2,978</u>	<u>7,452</u>
Total net undiscounted financial assets / (liabilities)	<u>170,424</u>	<u>172,377</u>	<u>206,392</u>	<u>(7,452)</u>

<u>Society</u>	<u>2023</u>				
	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>One year or less</u> S\$	<u>One to five years</u> S\$	<u>More than five years</u> S\$
<u>Financial assets</u>					
Other receivable	2,588	2,588	2,588	-	-
Other current assets	3,830	3,830	3,830	-	-
Fixed deposits	140,813	141,776	141,776	-	-
Amount due from subsidiary company	1,090,546	1,200,371	42,000	168,000	990,371
Cash and cash equivalents	60,476	60,476	60,476	-	-
Total undiscounted financial assets	<u>1,298,253</u>	<u>1,409,041</u>	<u>250,670</u>	<u>168,000</u>	<u>990,371</u>

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) **Liquidity risk (cont'd)**

Analysis of financial instruments by remaining contractual maturities (cont'd)

<u>Society</u>	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>2023</u>		
			<u>One year or less</u> S\$	<u>One to five years</u> S\$	<u>More than five years</u> S\$
<u>Financial liabilities</u>					
Other payables	20,797	20,797	20,797	-	-
Interest-bearing loans and borrowings	175,354	195,199	45,006	150,193	-
Total undiscounted financial liabilities	196,151	215,996	65,803	150,193	-
Total net undiscounted financial assets	1,102,101	1,193,045	184,867	17,807	990,371
<u>2022</u>					
<u>Society</u>	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>One year or less</u> S\$	<u>One to five years</u> S\$	<u>More than five years</u> S\$
<u>Financial assets</u>					
Other receivable	1,063	1,063	1,063	-	-
Other current assets	3,680	3,680	3,680	-	-
Fixed deposits	180,341	183,170	183,170	-	-
Amount due from subsidiary company	1,088,795	1,217,743	42,000	168,000	1,007,743
Cash and cash equivalents	22,398	22,398	22,398	-	-
Total undiscounted financial assets	1,296,277	1,428,054	252,311	168,000	1,007,743
<u>Financial liabilities</u>					
Other payables	19,868	19,868	19,868	-	-
Interest-bearing loans and borrowings	26,906	27,930	20,478	7,452	-
Total undiscounted financial liabilities	46,774	47,798	40,346	7,452	-
Total net undiscounted financial assets	1,249,503	1,380,256	211,965	160,548	1,007,743

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Capital management

The capital structure of the Group and the Society comprised of retained earnings and building fund.

The primary objective of the Group's and the Society's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to continue as going concern while maximising the return to the Group and the Society through optimisation of working capital.

(e) Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The financial instruments that are not carried at fair value and whose carrying amounts are in reasonable approximation of fair value as follows:

Cash and cash equivalents, other receivable and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Amount due from subsidiary company, fixed deposits and interest-bearing loans and borrowings

The carrying amounts of subsidiary company, fixed deposits and interest-bearing loans and borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

20. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 30 November 2023 were authorised for issue in accordance with a resolution of the management committee on 3 May 2024.

THIS SCHEDULE HAS BEEN PREPARED FOR THE MANAGEMENT PURPOSES
ONLY AND DOES NOT FORM PART OF THE
AUDITED FINANCIAL STATEMENTS

ZION LIVING STREAMS COMMUNITY CHURCH
(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023**

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Revenue		
Assembly fund	270,618	276,865
Amortisation of building fund	22,710	22,710
Bank interest income	19	20
Fixed deposit interest income	3,937	1,225
Interest income from loan to subsidiary	21,751	21,701
CPF Transition Offset	300	-
Jobs Support Scheme	-	171
Wage Credit Scheme	-	4,863
Other income	-	200
	319,335	327,755
Less: Operating expenses		
Auditor's remuneration	4,700	4,700
Bank charges	293	243
Church camp	5,615	-
Community outreach	122	1,402
Depreciation of plant and equipment	62,316	64,101
Employee compensation		
- Salaries and bonus	140,585	134,910
- CPF contributions	23,543	22,235
- SDL	292	284
- Staff incentive	300	300
- Transport allowance	9,600	9,600
General expenses	2,845	3,891
Equipping station / seminars	200	-
Honorarium	2,950	2,000
Insurance	3,056	2,640
Legal fee	560	-
Medical fee	249	139
Mighty kids club	315	134
Mission expenses	31,352	31,886
Music expenses	2,760	6,530
Pastoral expenses	2,309	1,008
Postage, printing and stationery	120	920
Refreshments	679	82
Technical / PA expenses	1,316	-
Telephone expenses	1,410	1,600
Training and workshop	35	-
Upkeep of premises	7,115	8,464
Utilities	3,201	2,350
Youth activities	120	-
	307,958	299,419
Less: Finance cost		
Interest expense on lease liabilities	5,904	1,529
Surplus before income tax	5,473	26,807