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BIBLICAL GRADUATE SCHOOL
OF THEOLOGY
(Registered in Singapore under the Societies Act)

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

CONTENTS

BIBLICAL GRADUATE SCHOOL OF THEOLOGY

STATEMENT BY THE COUNCIL

On behalf of the Council, we do hereby state that in our opinion, the accompanying financial statements of Biblical Graduate School of Theology (the "School") as set out on pages 5 to 26, are properly drawn up in accordance with the Societies Act 1966, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the School as at 30 June 2023, and of the financial performance, changes in general and specific funds and cash flows of the School for the financial year then ended.

On behalf of the Council

DocuSigned by: 42B60BE49AD1443...	DocuSigned by: Brian Chew 54253B1A84544AA...
Kenny Tan Ban Leong Chairman	Brian Chew Yu Hoong Treasurer

11 October 2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBLICAL GRADUATE SCHOOL OF THEOLOGY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Biblical Graduate School of Theology (the "School") as set out on pages 5 to 26, which comprise the balance sheet as at 30 June 2023, and the statement of comprehensive income, statement of changes in general and specific funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the School as at 30 June 2023 and of the financial performance, changes in general and specific funds and cash flows of the School 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 School in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council is responsible for the other information. The other information obtained at the date of the auditor's report is the Statement by the Council.

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

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBLICAL GRADUATE SCHOOL OF THEOLOGY (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Council and Those Charged with Governance for the Financial Statements

The Council is responsible for the preparation and fair presentation of financial statements in accordance with the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as the Council 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, the Council is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the School or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School'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 School's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIBLICAL GRADUATE SCHOOL OF THEOLOGY (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School'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 School 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 those charged with governance 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,

(i) the accounting and other records required to be kept by the School have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

(ii) the fund-raising appeal held during the financial year ended 30 June 2023 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the School has not complied with the requirements of Regulation 7 (Fund-raising expenses) of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

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Baker Tilly
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Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

11 October 2023

BIBLICAL GRADUATE SCHOOL OF THEOLOGY

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 30 June 2023

	Unrestricted Fund $	**Restricted Fund $**	**Total 2023 $**	Unrestricted Fund $	Restricted Fund $	Total 2022 $
Income						
Event income	**–**	**–**	**–**	900	–	900
Course fees	**156,644**	**–**	**156,644**	204,109	–	204,109
Gift and donations	**292,657**	**239,547**	**532,204**	242,289	375,669	617,958
Interest income	**15,733**	**–**	**15,733**	2,712	–	2,712
Other income	**21,764**	**–**	**21,764**	10,368	–	10,368
Pledges	**127,700**	**–**	**127,700**	128,550	–	128,550
Government grant	**18,850**	**–**	**18,850**	20,868	–	20,868
Collaboration income	**7,826**	**–**	**7,826**	10,236	–	10,236
	641,174	**239,547**	**880,721**	620,032	375,669	995,701

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

BIBLICAL GRADUATE SCHOOL OF THEOLOGY

STATEMENT OF COMPREHENSIVE INCOME (cont'd)
For the financial year ended 30 June 2023

	Note	**Unrestricted Fund $**	**Restricted Fund $**	**Total 2023 $**	Unrestricted Fund $	Restricted Fund $	Total 2022 $
Less expenditure							
ATA expenses		**2,703**	**–**	**2,703**	1,165	–	1,165
Audit fee		**5,817**	**–**	**5,817**	5,856	–	5,856
Conferences, events and seminars expenses		**9,889**	**–**	**9,889**	3,007	1,175	4,182
Consultancy expenses		**–**	**14,000**	**14,000**	–	–	–
Council meeting expenses		**12**	**–**	**12**	166	111	277
CPF contributions		**62,786**	**–**	**62,786**	71,734	–	71,734
Depreciation of property, plant and equipment	4	**77,694**	**–**	**77,694**	79,276	–	79,276
Depreciation of right-of-use assets	5	**3,392**	**–**	**3,392**	3,360	–	3,360
Depreciation of intangible assets	6	**13,159**	**–**	**13,159**	11,802	–	11,802
Fund raising expenses		**30,447**	**–**	**30,447**	267	406	673
Other operating expenses		**81,009**	**1,507**	**82,516**	82,377	496	82,873
Interest expense on lease liability	5	**567**	**–**	**567**	700	–	700
Office maintenance		**31,118**	**5,241**	**36,359**	39,848	5,966	45,814
Publicity		**4,419**	**–**	**4,419**	8,582	1,621	10,203
Staff salaries, bonuses and related costs		**379,308**	**194,942**	**574,250**	462,627	198,729	661,356
Temporary staff		**28,895**	**875**	**29,770**	39,570	1,754	41,324
Visiting lecturers' expenses		**20,565**	**11,620**	**32,185**	15,031	13,735	28,766
Vouchers redemption	3	**2,964**	**–**	**2,964**	7,643	–	7,643
Prizes paid out		**–**	**2,100**	**2,100**	–	6,000	6,000
		754,744	**230,285**	**985,029**	833,011	229,993	1,063,004
Net (deficit)/surplus for the financial year		**(113,570)**	**9,262**	**(104,308)**	(212,979)	145,676	(67,303)
Other comprehensive loss:							
Items that are or may be reclassified subsequently to profit or loss:							
Fair value loss on financial assets at fair value through other comprehensive income ("FVOCI")		**(5,359)**	**–**	**(5,359)**	–	–	–
Total comprehensive (loss)/income for the financial year		**(118,929)**	**9,262**	**(109,667)**	(212,979)	145,676	(67,303)

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

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BIBLICAL GRADUATE SCHOOL OF THEOLOGY

BALANCE SHEET
At 30 June 2023

	Note	**2023** **$**	2022 $
Non-current assets			
Property, plant and equipment	4	**2,830,501**	2,895,212
Right-of-use assets	5	**7,411**	10,633
Intangible assets	6	**53,799**	23,606
Financial assets at FVOCI	7	**1,075,415**	–
Total non-current assets		**3,967,126**	2,929,451
Current assets			
Receivables and prepayments	8	**43,797**	51,531
Fixed deposits	9	**10,000**	726,253
Bank and cash balances		**573,934**	982,789
Total current assets		**627,731**	1,760,573
Total assets		**4,594,857**	4,690,024
Non-current liabilities			
Lease liabilities	5	**6,553**	9,263
Current liabilities			
Accruals and creditors	10	**6,323**	6,634
Contract liabilities	11	**30,376**	36,238
Deferred capital grant	12	**23,200**	–
Lease liabilities	5	**2,868**	2,685
		62,767	45,557
Total liabilities		**69,320**	54,820
Net assets		**4,525,537**	4,635,204
Funds			
Unrestricted Fund			
General Fund		**3,436,881**	3,553,264
Other Reserve		**(5,359)**	–
BGST Projects Fund	13	**389,841**	–
Restricted Fund			
Micro Learning Platform Fund	14	**–**	297,538
Student Award Fund	15	**88,815**	90,915
Quek Swee Hwa Endowment Fund	16	**502,850**	502,850
People’s Development Fund	17	**44,659**	84,873
Engage Fund	18	**39,555**	79,657
Other Funds	19	**28,295**	26,107
Total funds		**4,525,537**	4,635,204

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

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BIBLICAL GRADUATE SCHOOL OF THEOLOGY

STATEMENT OF CHANGES IN GENERAL AND SPECIFIC FUNDS
For the financial year ended 30 June 2023

	Unrestricted Fund			**Restricted Fund**						
	General Fund	**Other Reserve**	**BGST Projects Fund (Note 13)**	**Micro Learning Platform Fund (Note 14)**	**Student Award Fund (Note 15)**	**Quek Swee Hwa Endowment Fund (Note 16)**	**People's Development Fund (Note 17)**	**Engage Fund (Note 18)**	**Other Funds (Note 19)**	**Total Funds**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2021	3,770,453	–	–	168,009	96,314	402,000	128,102	104,917	32,712	4,702,507
Income	620,032	–	–	210,000	601	100,850	–	1,500	62,718	995,701
Expenditure	(833,011)	–	–	(80,471)	(6,000)	–	(43,229)	(26,760)	(73,533)	(1,063,004)
Net (deficit)/surplus and total comprehensive (loss)/income for the financial year	(212,979)	–	–	129,529	(5,399)	100,850	(43,229)	(25,260)	(10,815)	(67,303)
Transfer	(4,210)	–	–	–	–	–	–	–	4,210	–
Balance at 30 June 2022	3,553,264	–	–	297,538	90,915	502,850	84,873	79,657	26,107	4,635,204
Income	641,174	–	–	180,000	–	–	–	1,765	57,782	880,721
Expenditure	(754,744)	–	–	(87,697)	(2,100)	–	(40,214)	(41,867)	(58,407)	(985,029)
Net (deficit)/surplus for the financial year	(113,570)	–	–	92,303	(2,100)	–	(40,214)	(40,102)	(625)	(104,308)
Other comprehensive income:										
Fair value loss on financial assets at FVOCI	–	(5,359)	–	–	–	–	–	–	–	(5,359)
Total comprehensive (loss)/income for the financial year	(113,570)	(5,359)	–	92,303	(2,100)	–	(40,214)	(40,102)	(625)	(109,667)
Transfer	(2,813)	–	389,841	(389,841)	–	–	–	–	2,813	–
Balance at 30 June 2023	**3,436,881**	**(5,359)**	**389,841**	**–**	**88,815**	**502,850**	**44,659**	**39,555**	**28,295**	**4,525,537**

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

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BIBLICAL GRADUATE SCHOOL OF THEOLOGY

STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2023

	2023	2022
	$	$
Cash flows from operating activities		
Deficit for the financial year	**(104,308)**	(67,303)
Adjustments for:		
Depreciation of property, plant and equipment	**77,694**	79,276
Depreciation of right-of-use assets	**3,392**	3,360
Depreciation of intangible assets	**13,159**	11,802
Interest expense on lease liability	**567**	700
Interest income	**(15,733)**	(2,712)
Operating cash flows before movements in working capital	**(25,229)**	25,123
Receivables and prepayments	**5,883**	(8,139)
Payables and contract liabilities	**(6,173)**	(17,262)
Deferred capital grant	**23,200**	–
Net cash used in operating activities	**(2,319)**	(278)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(12,983)**	(194)
Purchases of intangible assets	**(43,352)**	–
Purchases of financial assets at FVOCI	**(1,080,774)**	–
Interest received	**17,584**	3,701
Net cash (used in)/generated from investing activities	**(1,119,525)**	3,507
Cash flows from financing activities		
Repayment of lease liability	**(2,697)**	(2,548)
Interest paid on lease liability	**(567)**	(700)
Net cash used in financing activities	**(3,264)**	(3,248)
Net decrease in cash and cash equivalents	**(1,125,108)**	(19)
Cash and cash equivalents at beginning of the financial year	**1,709,042**	1,709,061
Cash and cash equivalents at end of the financial year	**583,934**	1,709,042
Cash and cash equivalents comprise:		
Fixed deposits	**10,000**	726,253
Bank and cash balances	**573,934**	982,789
	583,934	1,709,042

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

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

1. School information

The School is registered in Singapore with its principal place of activities at 50 Kallang Pudding Road, #07-01 AMA Building, Singapore 349326.

The principal activity of the School is to provide a graduate theological study programme for Christians.

2. Summary of significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar ("$"), which is the School's functional currency, have been prepared in accordance with the Societies Act 1966, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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 income and expenditure during the financial year. Although these estimates are based on management'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.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgements and estimates made during the financial year.

The carrying amounts of cash and cash equivalents, current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

In the current financial year, the School 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. Changes to the School's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial statements.

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2. Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 30 June 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the School.

b) Income recognition

Pledges, gifts and donations and sponsorship are recognised when received.

Course fees are recognised over the period of the course.

Interest income is recognised using the effective interest method.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is charged so as to write off the cost of the assets over their expected useful lives using the straight-line method as follows:

	Years
Freehold property	50
Building improvement	5
Furniture and fittings	5
Office equipment	5
Library books	5
Library computer and equipment	5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in income or expenditure when the changes arise.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to income or expenditure.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

d) Intangible assets

Intangible assets are initially recognised at cost and subsequently stated at cost less accumulated amortisation and any impairment in value. These costs are amortised using the straight-line method over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in income or expenditure when the changes arise.

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2. Summary of significant accounting policies (cont'd)

e) Income taxes

The School is registered as a charity under the Charities Act and is exempted from income tax under the provisions of the Income Tax Act.

f) Impairment of non-financial assets

At each balance sheet date, the School assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the School estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in income or expenditure.

g) Employee benefits

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Defined contribution plans

The School makes contributions to the Central Provident Fund scheme in Singapore ("CPF"), a defined contribution plan. Contributions to CPF are charged to income or expenditure in the period in which the related services is performed.

h) Financial assets

Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the School has transferred substantially all risks and rewards of ownership.

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2. Summary of significant accounting policies (cont'd)

h) Financial assets (cont'd)

Recognition and derecognition (cont'd)

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The School classifies its financial assets at amortised cost and fair value through other comprehensive income (FVOCI). The classification is based on the School's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The School reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Amortised cost

The School's financial assets at amortised cost include fixed deposits, bank and cash balances and receivables (excluding prepayments). The School measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in income or expenditure when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Fair value through other comprehensive income ("FVOCI")

The School measures financial assets at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in fair values for debt instruments at FVOCI are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in income or expenditure. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to income or expenditure as a reclassification adjustment and presented in "other income/expense". Interest income from these financial assets is recognised in income or expenditure using the EIR method.

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2. Summary of significant accounting policies (cont'd)

h) Financial assets (cont'd)

Impairment

The School recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the School expects to receive, discounted at an approximation of the original effective interest rate.

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

If the School has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the School measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The School recognises an impairment gain or loss in income or expenditure for its financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

i) Financial liabilities

Financial liabilities, which comprise accruals and creditors and lease liabilities, are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in income or expenditure when the liabilities are derecognised and through the amortisation process.

j) Cash and cash equivalents in the statement of cash flows

For the purposes of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, fixed deposits which are readily convertible and subject to an insignificant risk of change in value and bank balances.

k) Leases

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

The School applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the School recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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2. Summary of significant accounting policies (cont'd)

k) Leases (cont'd)

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the School uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease 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 School and payments of penalties for terminating the lease, if the lease term reflects the School 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.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The School remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever 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.

Right-of-use assets

The School recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the School incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use assets.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the School 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 depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The School applies FRS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(f).

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2. Summary of significant accounting policies (cont'd)

l) Funds

Unless specifically indicated, fund balances are not represented by any specific accounts but are represented by all assets of the School. Income and expenditure relating to various funds specifically set up are taken directly to these funds and reflected in the statement of comprehensive income.

m) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to income or expenditure over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in income or expenditure over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

3. Vouchers redemption

	2023	2022
	$	$
Free placing vouchers ("FPV")	**2,964**	7,643

The FPV is given to those churches and individuals that have been supporting the School continuously. These vouchers allow the members in the respective churches and individuals to redeem and attend selected courses at the School's expense.

During the financial year, the following churches and individuals had redeemed the FPV issued by the School:

	2023	2022
	$	$
Prinsep Street Presbyterian Church	**–**	450
Mount Carmel Bible-Presbyterian Church	**480**	1,718
Zion Bishan Bible-Presbyterian Church	**–**	1,395
Covenant Evangelical Free Church	**450**	2,475
Other churches	**825**	255
Other individuals	**1,209**	1,350
	2,964	7,643

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4. Property, plant and equipment

	Freehold property $	Building improvement $	Furniture and fittings $	Office equipment $	Library books $	Library computer and equipment $	Total $
2023							
Cost							
At 1 July 2022	3,537,909	275,928	78,757	112,811	628,544	78,226	4,712,175
Additions	–	–	10,278	2,705	–	–	12,983
Written off	–	–	(4,200)	(27,305)	(527,052)	(10,026)	(568,583)
At 30 June 2023	**3,537,909**	**275,928**	**84,835**	**88,211**	**101,492**	**68,200**	**4,156,575**
Accumulated depreciation							
At 1 July 2022	650,975	275,928	78,757	107,243	626,141	77,919	1,816,963
Depreciation charge	70,758	–	1,370	3,135	2,240	191	77,694
Written off	–	–	(4,200)	(27,305)	(527,052)	(10,026)	(568,583)
At 30 June 2023	**721,733**	**275,928**	**75,927**	**83,073**	**101,329**	**68,084**	**1,326,074**
Net carrying value							
At 30 June 2023	**2,816,176**	**–**	**8,908**	**5,138**	**163**	**116**	**2,830,501**
2022							
Cost							
At 1 July 2021	3,537,909	275,928	78,757	112,811	628,350	78,226	4,711,981
Additions	–	–	–	–	194	–	194
At 30 June 2022	3,537,909	275,928	78,757	112,811	628,544	78,226	4,712,175
Accumulated depreciation							
At 1 July 2021	580,217	275,928	78,757	103,670	621,781	77,334	1,737,687
Depreciation charge	70,758	–	–	3,573	4,360	585	79,276
At 30 June 2022	650,975	275,928	78,757	107,243	626,141	77,919	1,816,963
Net carrying value							
At 30 June 2022	2,886,934	–	–	5,568	2,403	307	2,895,212

Freehold property is held in trust by two members of the School.

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5. Right-of-use assets and lease liabilities

Nature of the School's leasing activity

The School leases its office equipment from third party which expires in August 2025.

Information about lease for which the Company is a lessee is presented below:

Amounts recognised in the balance sheet:

	2023	2022
	$	$
Carrying amount of right-of-use assets		
Office equipment	**7,411**	10,633
Carrying amount of lease liabilities		
Current	**2,868**	2,685
Non-current	**6,553**	9,263
	9,421	11,948
Lease modification on right-of-use assets	**170**	–

Amounts recognised in income or expenditure:

	2023	2022
	$	$
Depreciation charge for the financial year - office equipment	**3,392**	3,360
Interest expense on lease liability	**567**	700

Total cash flows for leases of the School amounted to $3,264 (2022: $3,248).

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	2023	2022
	$	$
Balance at 1 July	**11,948**	14,496
Changes from financing cash flows:		
- Repayments	**(2,697)**	(2,548)
- Interest paid	**(567)**	(700)
Non-cash changes:		
- Interest expense	**567**	700
- Lease modification	**170**	–
Balance at 30 June	**9,421**	11,948

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6. Intangible assets

	Website $	Software $	Total $
Cost			
2023			
At 1 July 2022	59,012	–	59,012
Addition	5,392	37,960	43,352
At 30 June 2023	**64,404**	**37,960**	**102,364**
Accumulated depreciation			
At 1 July 2022	35,406	–	35,406
Amortisation charge	11,894	1,265	13,159
At 30 June 2023	**47,300**	**1,265**	**48,565**
Net carrying value			
At 30 June 2023	**17,104**	**36,695**	**53,799**

	Website $	Total $
Cost		
2022		
At 1 July 2021	59,012	59,012
Addition	–	–
At 30 June 2022	59,012	59,012
Accumulated depreciation		
At 1 July 2021	23,604	23,604
Amortisation charge	11,802	11,802
At 30 June 2022	35,406	35,406
Net carrying value		
At 30 June 2022	23,606	23,606

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7. Financial assets at FVOCI

	2023
	$
Non-current	
Financial assets measured at FVOCI	
Quoted debt security, at fair value (SGD fixed rate notes of 2.375% due 1 June 2025)	**1,075,415**
	1,075,415

Movement of investment in quoted debt security are as follows:

	2023
	$
Balance at the beginning of the financial year	**–**
Additions	**1,080,774**
Interest earned	**13,063**
Interest received	**(13,063)**
Fair value loss recognised in other comprehensive income	**(5,359)**
Balance at the end of the financial year	**1,075,415**

During the financial year, the School had purchased 1,100,000 units of the quoted debt security with a carrying amount of $1,080,774.

The fair value of the above-mentioned quoted debt security is presented in Note 22.

The interest earned on the quoted debt security amounting to $13,063 is recognised in income or expenditure under "Interest income".

The investment in quoted debt security is denominated in Singapore Dollar.

8. Receivables and prepayments

	2023	2022
	$	$
Prepayments	**41,397**	39,472
Refundable deposits	**2,400**	2,300
Grant receivables	**–**	7,908
Interest receivables	**–**	1,851
	43,797	51,531

9. Fixed deposits

The fixed deposits are placed with banks and mature within 9 (2022: 2 to 4) months from the balance sheet date. The effective interest rates of these fixed deposits ranging from Nil% to 3.35% (2022: Nil% to 0.40%) per annum at the balance sheet date.

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10. Accruals and creditors

	2023 $	2022 $
Accrued expenses	**5,000**	5,335
Other creditors	**1,323**	1,299
	6,323	6,634

11. Contract liabilities

The School receives payments from students based on the terms established in contracts. Contract liabilities relate to fees received in advance from students and deferred income. Contract liabilities are recognised as income as (or when) the School satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities from contracts with students:

	30.6.2023 $	30.6.2022 $	1.7.2021 $
Contract liabilities	**30,376**	36,238	50,743

12. Deferred capital grant

The deferred capital grant relates to grants received from government for the purchase of property, plant and equipment and is amortised to income or expenditure over the useful lives of the related property, plant and equipment.

	2023 $
Balance at 1 July 2022	**–**
Grant received	**24,000**
Amortisation charge	**(800)**
Balance at 30 June 2023	**23,200**

13. BGST Projects Fund

This fund is set up to cover cost of new project initiatives, including salaries, technologies, rental and etc. Such projects include new product lines and enhancement of the School’s support services such as fundraising or technological support.

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14. Micro Learning Platform Fund

The fund is set up to support a new learning platform, Theology for Life Microlearning Platform ("TFL"), where students are able to purchase on-demand Christian training resources, with sales by single or bundle packages (annual subscriptions). From the financial year ended 30 June 2022, the Head, Strategy and Partnerships is involved in both the Micro Learning Platform and business development. Therefore, the Head, Strategy and Partnerships and her marketing project executive salaries will be drawn down from both Engage Fund and Micro Learning Platform Fund.

15. Student Award Fund

The fund is set up for the purpose of awarding the most outstanding students under various programmes and for various departments of studies including studies in the Greek language, Mission, Counselling, Old Testament and New Testament.

16. Quek Swee Hwa Endowment Fund

The Quek Swee Hwa Endowment Fund for Marketplace Studies is set up to fund the School's ministry into a thought leader and a leading theological institution of learning through the proceeds derived from the investment of the fund.

17. People's Development Fund

The fund is set up to fund student scholarships, student and staff development and a portion of lecturer salaries and fees, including those of overseas lecturers.

There has been no sponsorship offered to any student since the financial year ended 30 June 2019, hence the fund is used for the support of full-time faculty salaries. Faculty salaries are drawn down from this fund to support the salaries of up to $40,000 per year starting from the financial year ended 30 June 2020.

18. Engage Fund

The fund is set up to fund business development such as research in set up micro learning, mobile applications, technology purpose, research and interview and needs survey. The Director (Administration & Operations) spends 20% of her time on these projects. For this reason, the fund will cover 20% of her salaries. From the financial year ended 30 June 2022, the Head, Strategy and Partnerships has taken over the portfolio and is involved in both the Micro Learning Platform and business development. Therefore, the Head, Strategy and Partnerships and her marketing project executive salaries will be drawn down from both Engage Fund and Micro Learning Platform Fund.

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19. Other Funds

	At 1.7.2022 $	**Income $**	**Expenditure $**	**Transfer $**	**At 30.6.2023 $**
AV Enhancement Fund (a)	9,046	–	–	–	**9,046**
Alumni Student Network Fund (b)	1,945	198	–	–	**2,143**
Tyndale House Research Scholarship Fund (c)	10,306	–	–	–	**10,306**
KK Kwa Fund (d)	4,810	45,984	(53,607)	2,813	**–**
LWP Fund (e)	–	4,800	(4,800)	–	**–**
Business Technology Fund (f)	–	6,800	–	–	**6,800**
	26,107	57,782	(58,407)	2,813	**28,295**

	At 1.7.2021 $	Income $	Expenditure $	Transfer $	At 30.6.2022 $
AV Enhancement Fund (a)	9,046	–	–	–	9,046
Alumni Student Network Fund (b)	2,245	–	(300)	–	1,945
Tyndale House Research Scholarship Fund (c)	10,306	–	–	–	10,306
KK Kwa Fund (d)	8,022	50,268	(53,480)	–	4,810
LWP Fund (e)	–	11,400	(11,400)	–	–
Business Technology Fund (f)	757	1,050	(4,803)	2,996	–
Mustard Seed Grant	2,336	–	(3,550)	1,214	–
	32,712	62,718	(73,533)	4,210	26,107

(a) The AV Enhancement Fund is set up to financially support the production of better and improved quality study courses and other AV materials for the School.

(b) The Alumni Student Network Fund is set up to provide funds for Alumni Student Network activities and to reach out to the School's alumni and students, building a network of people who can support the work of the School in various ways.

(c) The Tyndale House Research Scholarship Fund is set up to finance theological research undertaken by the School's lecturers during sabbatical or any scholar approved by the School in Tyndale House, Cambridge, United Kingdom.

(d) The KK Kwa Fund is set up to fund the salary of Dr Kwa Kiem Kiok.

(e) The LWP Fund is set up to fund the salary of Mr Leow Wen Pin.

(f) The Business Technology Fund is set up for supporters to invest in the School's new educational platforms for training Christians in Singapore and the region.

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20. Key management personnel compensation

Included in the School's staff salaries, bonuses and related costs and CPF contributions are remuneration paid to key management personnel as follows:

	2023	2022
	$	$
Staff salaries, bonuses and related costs	**201,352**	206,032
CPF contributions	**30,526**	30,730
	231,878	236,762

21. Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2023	2022
	$	$
Financial assets		
Financial assets at amortised cost	**1,661,749**	1,721,101
Financial liabilities		
Financial liabilities at amortised cost	**15,166**	18,582

b) Financial risk management

The School's activities expose it to minimal financial risk and overall risk management is determined and carried out on an informal basis by the Council.

Foreign exchange risk

The School's exposure to foreign exchange risk is minimal as it does not have any significant foreign currency denominated transactions, assets or liabilities.

Interest rate risk

The interest rates and terms of the School's fixed deposits are disclosed in Note 9. The impact of interest rates changes on the School's fixed deposits is not significant.

Credit risk

The carrying amounts of receivables, fixed deposits, bank and cash balances as presented on the balance sheet represent the School's maximum exposure to credit risk. The School has no significant concentrations of credit risk at the balance sheet date.

Credit risk exposure in relation to financial assets at amortised cost as at 30 June 2023 and 30 June 2022 is insignificant, and accordingly no credit loss allowance is recognised as at 30 June 2023 and 30 June 2022. There were no financial assets that are past due and/or impaired at the balance sheet date.

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21. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the School will encounter difficulty in meeting financial obligations due to shortage of funds. The School's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The School manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

The table below summarises the maturity profile of the School's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	1 year or less $	**1 to 5 years $**	**Total $**
2023			
Accruals and creditors	**5,745**	**–**	**5,745**
Lease liabilities	**3,294**	**6,854**	**10,148**
	9,039	**6,854**	**15,893**
2022			
Accruals and creditors	6,634	–	6,634
Lease liabilities	3,248	9,978	13,226
	9,882	9,978	19,860

22. Fair value of assets and liabilities

a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

(a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
(c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Fair value measurements of assets and liabilities that are measured at fair value

The following table presents the level of fair value hierarchy for each class of financial instruments measured at fair value on the balance sheet at the balance sheet date:

	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**
2023				
Financial assets				
Financial assets at FVOCI	**1,075,415**	**–**	**–**	**1,075,415**

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22. Fair value of assets and liabilities (cont'd)

c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

23. Fund management

The School's objective in managing its funds is to safeguard and maintain adequate working capital to meet its operating needs. The fund of the School consists of total funds as presented on the balance sheet. No changes were made in the objective, policies or process during the financial years ended 30 June 2023 and 30 June 2022.

24. Authorisation of financial statements

The financial statements of the School for the financial year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Council dated 11 October 2023.