



ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(LIMITED BY GUARANTEE)

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Chow Hau Kwen Amy
Secretary

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CONTENTS

	<u>PAGE(S)</u>
Report of the Directors	1 – 2
Independent Auditor's Report	3 – 5
Income Statement	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Notes to the Financial Statements	9 – 16

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED

REPORT OF THE DIRECTORS

The directors submit herewith their report together with the audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the Association are advancement of religion and carrying out or assisting in carrying out the establishment, construction, maintenance, improvement, management and superintendence of Bible schools, grace and faith-based education institutions and leadership institutions and leadership training organisations on a non-profit making basis.

Results and appropriations

The results of the Association for the year ended 31 December 2020 and the state of the Association's affairs as at that date are set out in the Association's financial statements on pages 6 to 16.

Directors

The directors of the Association during the year and up to date of this report are:

Billy Wayne EPPERHART
Michael Todd PICKETT
SIH Shuh Ren, David
SOO Pak Kwan, Albert
MARIKE Barton VLANTIS

In accordance with Article 26 of the Association's Articles of Association, the directors appointed by ordinary resolution shall remain in office whereas the directors appointed by a decision of the directors shall retire from office and, being eligible, offer themselves for re-election.

Permitted indemnity provision

Pursuant to Article 35 of the Association's Articles of Association, subject to the statutes, every director of the Association shall be indemnified out of the assets of the Association against all losses and liabilities which the director may sustain or incur in or about the execution of his / her office or otherwise in relation thereto. Apart from the afore-mentioned provision, no other permitted indemnity provision was in force during the year nor is in force at the time of approval of this report for the benefit of a director of the Association.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Association were entered into or existed during the year.

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Business review

The Association falls within reporting exemption for the year. Accordingly, the Association is exempted from preparing a business review.

Auditor

Messrs. Credence & Partners CPA, Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment as auditor of the Company at the forthcoming annual general meeting.

On behalf of the Board



Marike Barton VLANTIS
Chairman

Dated: 22 October 2021



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Andrew Wommack Ministries (Hong Kong) Limited ("the Association") set out on pages 6 to 16, which comprise the statement of financial position as at 31 December 2020, the income statement and statement of changes in funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance ("HKCO").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA. 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 Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

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

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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the HKCO, and for such internal control as the directors determine 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 directors are responsible for assessing the Association'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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association'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. This report is made solely to you, as a body, in accordance with Section 405 of the HKCO, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the directors' 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 Association'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 Association to cease to continue as a going concern.

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.

Credence & Partners CPA
Certified Public Accountants

Dated: 22 October 2021

Hong Kong

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED**INCOME STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Revenue	4	3,357,258	1,980,029
Other revenue	4	<u>33,358</u>	<u>1,279</u>
		3,390,616	1,981,308
Less: Administrative expenses	5	(657,819)	(331,237)
Other operating expenses	6	(9,474)	(8,563)
Activities expenses	7	<u>(2,389,268)</u>	<u>(1,668,845)</u>
Surplus / (Deficit) for the year		<u>334,055</u>	<u>(27,337)</u>


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

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITEDSTATEMENT OF FINANCIAL POSITIONAS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Non-current assets			
Property, plant and equipment	10	<u>35,807</u>	<u>8,367</u>
Current assets			
Deposits paid		<u>6,200</u>	<u>6,200</u>
Cash and bank balances		<u>1,235,054</u>	<u>882,381</u>
		<u>1,241,254</u>	<u>888,581</u>
Current liabilities			
Accruals		<u>(71,458)</u>	<u>(25,400)</u>
Net current assets		<u>1,169,796</u>	<u>863,181</u>
Net assets		<u>1,205,603</u>	<u>871,548</u>
Reserves			
Accumulated funds		<u>1,205,603</u>	<u>871,548</u>

Approved and authorised for issue by the Board of Directors on 22 October 2021 and are signed on its behalf by:


 SIH Shuh Ren, David
 Director


 Marike Barton VLANTIS
 Director

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

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED**STATEMENT OF CHANGES IN FUNDS****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Accumulated funds HK\$
Balance at 1 January 2020	871,548
Surplus for the year	<u>334,055</u>
Balance at 31 December 2020	<u><u>1,205,603</u></u>

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

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

a) Corporation information

Andrew Wommack Ministries (Hong Kong) Limited is a company incorporated in Hong Kong and limited by guarantee. The Association's registered office is located at Mezzanine Floor, 900 Tan Cheung, Sai Kung, New Territories, Hong Kong.

The principal activities of the Association are advancement of religion and carrying out or assisting in carrying out the establishment, construction, maintenance, improvement, management and superintendence of Bible schools, grace and faith-based education institutions and leadership institutions and leadership training organisations on a non-profit making basis.

Pursuant to Article 4 of the Association's Articles of Association, every member undertakes to contribute to the assets of the Association, in the event of its being wound up, to the extent not exceeding HK\$100.

b) Reporting currency

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars ("HK\$") rounded to the nearest one dollar.

2. Basis of preparation and significant accounting policies

The Association qualifies for the reporting exemption as a small guarantee company under Sections 359(1)(a) and 363 of the HKCO and is therefore entitled to prepare and present its annual financial statements in accordance with the SME-FRS issued by the HKICPA.

These financial statements have been prepared in accordance with all applicable sections of the SME-FRS under the accrual basis of accounting, the requirements of the HKCO and on the basis that the Association is a going concern. The measurement base adopted is the historical cost convention.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements:

a) Property, plant and equipment

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

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rate used for depreciation on furniture, fixtures and equipment is 20% per annum.

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****2. Basis of preparation and significant accounting policies (continued)****b) Impairment of assets**

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is 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 recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

c) Accounts and other receivables

Accounts and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and taken in the income statement.

d) Revenue

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the Association and when the amount of revenue as well as costs incurred for the transaction can be measured reliably on the following bases:

- (i) Donation income
Donation income is recognised on a cash basis;
- (ii) Bible education services income
Bible education services income is recognised when the relevant services are rendered;
- (iii) Sales of religious books and products
Sales of religious books and products is recognised when the goods are delivered and the significant risks and rewards of ownership have been passed to the buyer and the Association retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold; and
- (iv) Bank interest income
Bank interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****2. Basis of preparation and significant accounting policies (continued)****e) Foreign currency transactions**

The reporting currency of the Association is Hong Kong Dollar. Foreign currency transactions are translated into the reporting currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the approximate rates of exchange ruling at that date. Exchange differences arising on the settlement of monetary items or on translation of foreign currency monetary assets and liabilities are recognised as income or expenses.

f) Government grants

Government grants are recognised as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the Association will comply with the conditions attaching to them and the grants will be received. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Association, with no future related costs, is recognised as income of the period in which it becomes receivable.

g) Leases

Leases that retain substantially all the risks and rewards incidental to ownership of the leased assets by the lessor are accounted for as operating leases. Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term. All incentives for agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased assets. The aggregate benefit of incentives is recognised as a reduction of rental expenses over the lease term.

h) Taxation

Current tax is recognised as income or expense, except to the extent that the tax arises from a transaction or event that is recognised other than in the income statement, based on estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior reporting periods is, to the extent unpaid (or refundable), recognised as a liability (or an asset). Deferred tax is not recognised.

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****2. Basis of preparation and significant accounting policies (continued)****i) Related party**

A related party is a person or entity that is related to the Association that is preparing its financial statements.

- (i) A person or a close member of that person's family is related to the Association if that person:
 - (a) has control or joint control over the Association;
 - (b) has significant influence over the Association; or
 - (c) is a member of the key management personnel of the Association or of a parent of the Association.

- (ii) An entity is related to the Association if any of the following conditions applies:
 - (a) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (b) 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);
 - (c) both entities are joint ventures of the same third party;
 - (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association;
 - (f) the entity is controlled or jointly controlled by a person identified in (i); or
 - (g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Association. They may include:

- i) the individual's spouse and children;
- ii) children of the individual's spouse; and
- iii) dependants of the individual or the individual's spouse.

3. The impact of COVID-19 in the current reporting year

The outbreak of COVID-19 has developed rapidly since Year 2020 and significantly affected entities and economic activities in varying scales globally. As COVID-19 continues to evolve, it is challenging at this stage to predict the full extent and duration of its impacts on the Association's operating environments in Hong Kong. Up to the date of this report, the Association's management has not identified any areas that could have a material impact on the financial performance or position of the Association as at 31 December 2020.

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****4. Revenue**

An analysis of the Association's revenue for the year is as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Revenue		
Donation income	1,301,049	1,067,503
Bible education services income	1,975,061	856,051
Sales of religious books and products	81,148	56,475
	<u>3,357,258</u>	<u>1,980,029</u>
Other revenue		
Bank interest income	10	1,279
Government grants from Employment Support Scheme under the Anti-epidemic Fund	33,348	-
	<u>33,358</u>	<u>1,279</u>
Total revenue	<u><u>3,390,616</u></u>	<u><u>1,981,308</u></u>

5. Administrative expenses

	<u>2020</u> HK\$	<u>2019</u> HK\$
Accounting fees	12,464	10,850
Auditor's remuneration	23,000	22,000
Bank charges	7,448	3,507
Conference, convention and meeting expenses	4,634	50,989
Courier and postage	21,769	2,116
Credit card handling charges	66,508	27,784
Insurance	1,324	3,108
Legal and professional fees	304	9,770
Mandatory provident fund contributions	17,818	4,863
Messing	1,076	-
Office rental	74,400	24,800
Office supplies	5,653	4,500
Printing and stationery	499	443
Promotion expenses	58,276	58,922
Staff salaries	356,357	95,728
Subscription fees	4,089	-
Sundry expenses	2,200	5,320
Telephone, fax and internet	-	1,027
Utilities	-	5,510
	<u><u>657,819</u></u>	<u><u>331,237</u></u>

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****6. Other operating expenses**

	<u>2020</u> HK\$	<u>2019</u> HK\$
Depreciation	9,474	2,092
Exchange losses, net	-	6,471
	<u>9,474</u>	<u>8,563</u>

7. Activities expenses

	<u>2020</u> HK\$	<u>2019</u> HK\$
Charis Bible Centre expenses	1,759,188	655,757
Event expenses	-	192,932
Religious books and references publishing expenses	115,150	62,330
Religious books and references translation expenses	514,930	757,826
	<u>2,389,268</u>	<u>1,668,845</u>

8. Directors' remuneration and key management personnel's remuneration

The directors, who are also the key management personnel of the Association, received no remuneration (2019: Nil) for their services to the Association during the year.

9. Income tax expense

No provision for Hong Kong profits tax (2019: Nil) has been made as the Association is an approved charitable organisation which is exempt from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance.

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 DECEMBER 2020**10. Property, plant and equipment**

	<u>Furniture, fixtures and equipment</u> HK\$
At cost:	
At 1 January 2020	10,459
Additions	<u>36,914</u>
At 31 December 2020	<u>47,373</u>
Accumulated depreciation:	
At 1 January 2020	2,092
Charge for the year	<u>9,474</u>
At 31 December 2020	<u>11,566</u>
Net carrying amounts:	
At 31 December 2020	<u>35,807</u>
At 31 December 2019	<u>8,367</u>

11. Operating lease commitments

At the end of the reporting period, the Association has commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Not later than one year	49,600	74,400
Later than one year	<u>-</u>	<u>49,600</u>
	<u>49,600</u>	<u>124,000</u>

ANDREW WOMMACK MINISTRIES (HONG KONG) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****12. Other related party transactions**

In addition to the transactions and balances detailed elsewhere in these financial statements, the Association had the following transactions with related parties:

	<u>2020</u> HK\$	<u>2019</u> HK\$
a) <u>Worldwide Affiliated Organisations under AWWMI</u>		
– Donation income	21,600	22,055
– Sales of religious books and products	-	3,192
– Charis Bible Centre expenses	1,220,170	419,750
b) <u>Directors</u>		
– Donation income	80,000	43,000
– Bible education services income	9,211	-
– Sales of religious books and products	2,292	3,968
c) <u>Key management personnel</u>		
– Donation income	40,850	13,600
– Sales of religious books and products	<u>-</u>	<u>2,040</u>

13. Subsequent events

As described in note 3, the COVID-19 virus has been spreading rapidly across the world since Year 2020 and has several impacts on the Association's operating environment in Hong Kong. The Association's management is of the opinion that the Association can continue as a going concern and is closely monitoring the impacts of the COVID-19 situation.

----- End of Notes -----