

Assemblies of God Wa Wai Church Limited
(Limited by Guarantee)

Audited Financial Statements

For the year ended 31 July 2020

D.C. (CPA) & Associates

Certified Public Accountants (Practising)

Hong Kong



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**Assemblies of God Wa Wai Church Limited
(Limited by Guarantee)**

For the year ended 31 July 2020

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Executive Committee Members' Report

The Executive Committee Members have pleasure in submitting their annual report and the audited financial statements for the year ended 31 July 2020.

Principal place of business

Assemblies of God Wa Wai Church Limited - Wa Wai Church, Limited ('the Church') is a company incorporated and domiciled in Hong Kong and principal place of business is located at Office A-F, 20/F., Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

Principal activities

The principal activities of the Church during the year are conducting Christian Gospel meeting and activities.

Business review

In accordance with Section 388(3)(a) of the Hong Kong Companies Ordinance (Cap. 622), the Company falls within the reporting exemption for the financial year and therefore it is exempted from preparing a business review.

Donations

During the year, the Church had made HK\$410,000 (2019 : HK\$469,380) charitable donations.

Financial results

The results of the Church for the year ended 31 July 2020 are set out in the income statement on page 6.

Share capital

The Church was incorporated under the laws of Hong Kong as a company limited by guarantee and not having a share capital. The details of the liability of its members are set out in the notes to the financial statements on page 8.

Executive Committee Members

The Executive Committee Members of the Church during the year and up to the date of this report were:

NGAN Hon Kwan
TANG Kam Wing, Jovin
TO Suet Hing
LI Kin Sun, Michael
TAM Sau Ling

In accordance with Clause 59 of the Church's Articles of Association, all members who have served for two years, retire from the Deacon Board and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Executive Committee Members' Report

Permitted indemnity provisions

At no time during the year and up to the date of this this executive committee members' report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Executive Committee Members of the Church.

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Messrs. D.C. (CPA) & Associates, Certified Public Accountants (Practising), as auditor of the Church.

On behalf of the Board



TANG Kam Wing, Jovin
Chairman

Hong Kong, - 1 FEB 2021



Independent Auditor's Report

To the Members of
Assemblies of God Wa Wai Church Limited
(incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of Assemblies of God Wa Wai Church Limited - Wa Wai Church set out on pages 6 to 13, which comprise the statement of financial position as at 31 July 2020 and the income and expenditure account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements of the Church 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.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 Church 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 these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report Thereon

The Committee Members are responsible for the other information. The other information comprises all the information included in the annual report, other than 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 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
Assemblies of God Wa Wai Church Limited
(incorporated in Hong Kong with limited by guarantee)

Responsibilities of the Committee Members for the financial statements

The Committee Members are responsible for the preparation and the true and fair presentation of these financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the Committee Members 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 Committee Members are responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee Members either intend to liquidate the Church or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, where 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.



Independent Auditor's Report

To the Members of
Assemblies of God Wa Wai Church Limited
(incorporated in Hong Kong with limited by guarantee)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Church's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members.
- Conclude on the appropriateness of the Committee Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Church to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding to the financial information of the entities or business activities within the Church to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Church audit. We remain solely responsible for our audit opinion.

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.

D.C. (CPA) & Associates
Certified Public Accountants (Practising)
Hong Kong, – 1 FEB 2021

CHAN Yui Hang
Practising Certificate Number: P05134

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**Assemblies of God Wa Wai Church Limited
(Limited by Guarantee)**

Income Statement

For the year ended 31 July 2020

	<i>Note</i>	<i>2020</i> <i>HK\$</i>	<i>2019</i> <i>HK\$</i>
Income	2	9,268,860	10,187,208
Less: Expenditure		<u>(8,479,754)</u>	<u>(8,515,806)</u>
Surplus before tax	3	789,106	1,671,402
Income tax expense	5	<u>-</u>	<u>-</u>
Surplus for the year		<u>789,106</u>	<u>1,671,402</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

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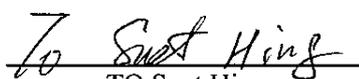
**Assemblies of God Wa Wai Church Limited
(Limited by Guarantee)**

Statement of Financial Position

As at 31 July 2020

	<i>Note</i>	<i>2020</i> <i>HK\$</i>	<i>2019</i> <i>HK\$</i>
Non-current asset			
Property, plant and equipment	6	<u>906,903</u>	<u>1,020,622</u>
Current assets			
Accounts receivable		61,463	11,960
Prepayments		84,665	439,915
Rental deposit		962,296	874,342
Utility deposit		21,040	21,040
Fixed deposits		16,252,894	16,068,493
Cash and bank balances	7	<u>9,658,299</u>	<u>8,862,087</u>
		<u>27,040,657</u>	<u>26,277,837</u>
Less: Current liabilities			
Accounts payable	8	(118,092)	(145,599)
Receipt in advance		(24,700)	(137,200)
Provision for long service fund	9	<u>(504,497)</u>	<u>(504,497)</u>
		<u>(647,289)</u>	<u>(787,296)</u>
Net current assets		<u>26,393,368</u>	<u>25,490,541</u>
Net assets		<u>27,300,271</u>	<u>26,511,163</u>
Represented by:			
Accumulated fund	10	<u>27,300,271</u>	<u>26,511,165</u>


TANG Kam Wing, Jovin
Committee Member


TO Suet Hing
Committee Member

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

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**Assemblies of God Wa Wai Church Limited
(Limited by Guarantee)**

Accounting Policies and Explanatory Notes to the Financial Statements

For the year ended 31 July 2020

Reporting entity

Assemblies of God Wa Wai Church Limited - Wa Wai Church, Limited ('the Church') is a company incorporated in Hong Kong with limited by guarantee. The Church's registered Office A-F, 20/F., Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong. The principal activities of the Church during the year conducting Christian Gospel meeting and activities.

Every member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound during the time that he or she is a member of within one year afterwards for payment of the debts and liabilities of the Association contracted before the time at which he or she has ceased to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding the sum of twenty dollars.

1 Basis of preparation and accounting policies

The Church qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Church is a going concern.

The measurement base adopted is the historical cost convention.

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

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Church and when the revenue can be measured reliably, on the following bases:

Offering income are accounted for on cash basis.

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

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1 Basis of preparation and accounting policies (continued)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated 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 rates used for depreciation are as follows:

Furniture and fixture	15%
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(c) 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, intangible assets 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 the income statement. 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.

(d) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(e) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the 'reporting entity')

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

Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 July 2020

1 Basis of preparation and accounting policies (continued)

(e) Related parties (continued)

2 An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to 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 ventures 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 party.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in 1.
- (vii) A person identified in 1(i) 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).

2 Revenue

An analysis of the Company's revenue is as follows:

	<i>2020</i>	<i>2019</i>
	<i>HK\$</i>	<i>HK\$</i>
Donations received	8,780,715	9,762,483
Bank interest received	184,401	54,459
Sundry income	303,744	370,266
	<u>9,268,860</u>	<u>10,187,208</u>

3 Surplus before tax

Surplus before tax is arrived at:

	<i>Note</i>	<i>2020</i>	<i>2019</i>
		<i>HK\$</i>	<i>HK\$</i>
After charging the following items:			
Auditor's remuneration		(5,000)	(5,000)
Depreciation	6	(226,526)	(209,605)
Staff costs, excluding director's remuneration:			
Salaries, wages and allowances		(2,351,372)	(2,388,502)
MPF contributions		(176,801)	(178,466)
		<u>(2,759,700)</u>	<u>(2,772,573)</u>

**Assemblies of God Wa Wai Church Limited
(Limited by Guarantee)**

Accounting Policies and Explanatory Notes to the Financial Statements

For the year ended 31 July 2020

4 Director's remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

	<i>2020</i>	<i>2019</i>
	<i>HK\$</i>	<i>HK\$</i>
Fees	-	-
Other emoluments	-	-
	<u> </u>	<u> </u>

5 Income tax expense

The Church is a charitable organisation within the meaning of Section 88 of the Hong Kong Inland Revenue Ordinance (Chapter 112) and, accordingly, is exempted from Hong Kong profits tax.

6 Property, plant and equipment

	<i>Furniture and fixtures HK\$</i>
Costs:	
At 1 August 2019	6,774,594
Additions:	112,807
At 31 July 2020	<u>6,887,401</u>
Accumulated depreciation and impairment losses:	
At 1 August 2019	5,753,972
Depreciation for the year	226,526
At 31 July 2020	<u>5,980,498</u>
Net carrying amounts:	
At 31 July 2020	<u>906,903</u>
At 31 July 2019	<u>1,020,622</u>

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**Assemblies of God Wa Wai Church Limited
(Limited by Guarantee)**

Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 July 2020

7 Bank balances

	<i>2020</i> <i>HK\$</i>	<i>2019</i> <i>HK\$</i>
Wa Wai Church	<u>9,658,299</u>	<u>8,862,087</u>

8 Accounts payable

	<i>2020</i> <i>HK\$</i>	<i>2019</i> <i>HK\$</i>
Auditors' remuneration	5,000	5,000
Other accounts payable	113,092	140,599
	<u>118,092</u>	<u>145,599</u>

9 Provision for long service fund

	<i>2020</i> <i>HK\$</i>	<i>2019</i> <i>HK\$</i>
At beginning of year and At the end of the reporting period	<u>504,497</u>	<u>504,497</u>

10 Accumulated fund

	<i>2020</i> <i>HK\$</i>	<i>2019</i> <i>HK\$</i>
At beginning of year	26,511,165	24,839,763
Surplus for the year	789,106	1,671,402
At the end of the reporting period	<u>27,300,271</u>	<u>26,511,165</u>

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Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 July 2020

11 Commitments

The Church had no significant commitments as at 31 July 2020.

12 Contingent liabilities

The Church had no significant contingent liabilities as at 31 July 2020.

13 Approval of financial statements

These financial statements were authorised for issue by the Church's executive committee
on **- 1 FEB 2021**

Assemblies of God Wa Wai Church Limited
(Limited by Guarantee)

Income and Expenditure Account

For the year ended 31 July 2020

	<i>Note</i>	<i>2020</i> <i>HK\$</i>	<i>2019</i> <i>HK\$</i>
Income			
Donations received		8,780,715	9,762,483
Bank interest received		184,401	54,459
Sundry income		303,744	370,266
		<u>9,268,860</u>	<u>10,187,208</u>
Less: Expenditure			
Activities expenses		(483,716)	(864,584)
Auditors' remuneration		(5,000)	(5,000)
Bank charges		(5,000)	(7,030)
Books and teaching materials		(4,476)	(12,495)
Depreciation		(226,526)	(209,605)
Donations		(410,000)	(469,380)
Electricity, water and gas		(52,042)	(80,242)
Information technology expense		(27,446)	(32,757)
Insurance		(30,440)	(26,571)
Legal and professional fee		(14,100)	(3,600)
Major repairs and maintenance		(274,303)	(63,800)
Mandatory provident fund		(176,801)	(178,466)
Medical expenses		(12,190)	(17,679)
Minor repairs and maintenance		(6,450)	(19,460)
Personal protection equipment		(273,653)	-
Preaching expenses		(140,356)	(175,428)
Printing and stationery		(28,920)	(38,119)
Rent, rates and management fee		(3,781,785)	(3,649,667)
Salaries and allowances		(2,351,372)	(2,388,502)
Subsidies		(75,002)	(133,862)
Sundry expenses		(71,291)	(110,114)
Telephone		(9,419)	(9,223)
Training and development		(10,000)	(8,000)
Travelling		(9,466)	(12,222)
		<u>(8,479,754)</u>	<u>(8,515,806)</u>
Surplus for the year	<i>10</i>	<u>789,106</u>	<u>1,671,402</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

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