

**ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(LIMITED BY GUARANTEE)**

**CHURCH'S COMMITTEE MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2020**



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**ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(LIMITED BY GUARANTEE)**

REPORT OF THE CHURCH'S COMMITTEE

The Church's Committee Members submit their report together with the audited financial statements for the year ended 31st December 2020.

PRINCIPAL ACTIVITY

The principal activity of the Church consisted of the operation of a non-profit making Christian Church.

RESULTS

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

DONATIONS

During the year, the Church made charitable donations of HK\$129,066.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment are shown in note 7 to the financial statements.

CHURCH'S COMMITTEE MEMBERS

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

Cheng Tak Ming
Leung Chun Man
Leung Pui Kei

In accordance with the Church's articles of association, all Church's Committee Members retire and, being eligible, offer themselves for re-election.

CHURCH'S COMMITTEE MEMBERS' INTERESTS

Except for the related party transactions as disclosed in note 8 to the financial statements, no other contracts of significance in relation to the Church's business to which the Church was a party and in which a Church's Committee Member of the church had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Church a party to any arrangements to enable the Church's Committee Members of the Church to acquire benefits by means of the admission of membership in the Church or any other body corporate.

PERMITTED INDEMNITY PROVISION

At any time during the year and up to the date of this report, there is no permitted indemnity provision in force for the benefit of any of the Church's Committee Members of the company.

MANAGEMENT CONTRACTS

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

BUSINESS REVIEW

The company qualifies for reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622), therefore it is exempted from including a business review in this report.

AUDITOR

The financial statements have been audited by Au Yee Hon, CPA (practising) who retire and, being eligible, offer himself for re-appointment.

On behalf of the Board



Chairman

HONG KONG, 03 NOV 2021

AU YEE HON

Certified Public Accountant (Practising)
Practising Certificate No. P06055

Flat J, 31/F., Block 9, Beverly Garden, 1 Tong Ming Street,
Tseung Kwan O, New Territories, Hong Kong

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(incorporated in Hong Kong with limited by guarantee)**

Opinion

We have audited the financial statements of Abundant Grace Revival Christian Church Limited set out on pages 6 to 13, which comprise the statement of financial position as at 31st December 2020, and the income statement and statement of changes in equity 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 company are prepared, in all material respects, in accordance with 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 ("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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company 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 Church's Committee Member are responsible for the other information. The other information comprises the information included in the Church's Committee Member' report, but does not include the financial statements and our auditors' 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.

Responsibilities of Church's Committee Member and Those Charged with Governance for the Financial Statements

The Church's Committee Member are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Church's Committee Member 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 Church's Committee Member are responsible for assessing the company'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 Church's Committee Member either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

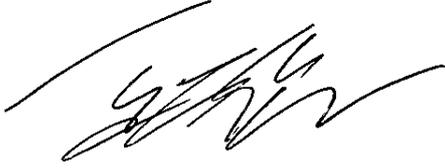
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Church's Committee Member.
- Conclude on the appropriateness of the Church's Committee Member' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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.



Au Yee Hon

Certified Public Accountants

Practising Certificate No.: P06055

HONG KONG, 05 NOV 2021

ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(LIMITED BY GUARANTEE)

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
REVENUE	3	1,230,971	1,416,253
OTHER INCOME	3	76,508	427
DEPRECIATION		(9,636)	(9,636)
STAFF COSTS		(514,025)	(480,582)
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(576,368)	(682,190)
		<u>(1,023,521)</u>	<u>(1,171,981)</u>
SURPLUS FOR THE YEAR	4	207,450	244,272
RETAINED SURPLUS BROUGHT FORWARD		743,668	499,396
RETAINED SURPLUS CARRIED FORWARD		<u>951,118</u>	<u>743,668</u>

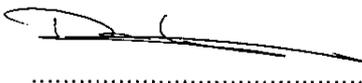
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,815	18,451
CURRENT ASSETS			
Deposits and prepayments		83,400	82,400
Cash and bank balances		912,171	694,179
		<u>995,571</u>	<u>776,579</u>
CURRENT LIABILITIES			
Accruals		5,000	8,640
Other payable		48,268	42,722
		<u>53,268</u>	<u>51,362</u>
NET CURRENT ASSETS		<u>942,303</u>	<u>725,217</u>
NET ASSETS		<u>951,118</u>	<u>743,668</u>
Financed by:			
RETAINED SURPLUS		<u>951,118</u>	<u>743,668</u>


 Church's Committee Member


 Church's Committee Member

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

ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Retained surplus HK\$
At 1st January 2019	499,396
Surplus for the year	244,272
At 31st December 2019	----- 743,668
Surplus for the year	207,450
At 31st December 2020	----- 951,118 =====

ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(LIMITED BY GUARANTEE)

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Abundant Grace Revival Christian Church Limited is a non-profit making company incorporated in Hong Kong which is limited by guarantee and not having share capital. The Church's registered office is located at G/F., Kwai Fong Terrace, 15 Kwai Yi Road, Kwai Fong, N.T., Hong Kong.

The principal activity of the Church consisted of the operation of a non-profit making Christian Church.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The company 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 company is a going concern.

The measurement basis adopted is the historical cost convention.

(b) Revenue recognition

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

- (a) Donation income is recognised when it is received;
- (b) Activities income is recognised on an accrual basis; and
- (c) Bank interest income is recognised on a time proportion basis.

(c) Property, plant and equipment

Office equipment are stated at cost less accumulated depreciation and are depreciated at the rate of 20% per annum which is sufficient to write off their cost over their estimated useful lives on a straight-line basis.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(d) Employee benefits

The company operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the company in an independently administered fund. The company's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the company's employer voluntary contributions, which are refunded to the company when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(e) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the end of reporting period are translated at rates of exchange ruling at the end of reporting period. Exchange differences arising in these cases are dealt with in the income statement.

(f) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement on a straight line basis over the lease term.

(g) Related parties

A party is considered to be related if the company and/ or the party are subjected to common control or significant influence. Related parties may be individuals or other entities.

3 REVENUE AND OTHER INCOME

The principal activity of the Church consisted of the operation of a non-profit making Christian Church. Total amounts of revenue and other income recognised during the year are as follows:

	2020 HK\$	2019 HK\$
Revenue		
Donation income	1,230,971	1,398,643
Activities income	-	17,610
	<u>1,230,971</u>	<u>1,416,253</u>
Other income		
Bank interest income	8	427
Government subsidies	76,500	-
	<u>76,508</u>	<u>427</u>
Revenue and other income	<u>1,307,479</u>	<u>1,416,680</u>

4 SURPLUS FOR THE YEAR

	2020 HK\$	2019 HK\$
Surplus for the year is stated after charging the following:		
Auditors' remuneration	5,000	5,000
Depreciation	9,636	9,636
Office premises rent under operating leases	385,400	440,600
Staff costs (excluding Church's Committee Member' emoluments)		
Salaries and allowances	114,000	88,875
Mandatory provident fund contributions	17,025	4,512
	<u>526,061</u>	<u>547,623</u>

5 INCOME TAX EXPENSE

The Church is exempted from Hong Kong profits tax since it meets the requirement under Section 88 of the Hong Kong Inland Revenue Ordinance (2019: Nil).

6 CHURCH'S COMMITTEE MEMBERS' EMOLUMENTS

Remuneration of the company's Church's Committee Members' disclosed pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) is as follows:

	2020 HK\$	2019 HK\$
Church's Committee Members' emoluments for services as directors of the company:		
Church's Committee Members' fees		
Church's Committee Members' other emoluments in connection with the management of the affairs of the church	383,000	369,800
Mandatory provident fund contributions	17,025	17,395
	<u>400,025</u>	<u>387,195</u>

7 PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK\$
Cost	
At 1st January 2019 and at 31st December 2020	<u>61,672</u>
Accumulated depreciation	
At 1st January 2019	43,221
Charge for the year	9,636
At 31st December 2020	<u>52,857</u>
Net book value	
At 31st December 2020	<u>8,815</u>
At 31st December 2019	<u>18,451</u>

8 RELATED PARTY TRANSACTIONS

During the year, the Church undertook the following transactions with a related party in the normal course of its business:

	2020 HK\$	2019 HK\$
Donations made to an Association of which the Committee members Cheng Tak Ming is interested as members and director	104,057 =====	98,921 =====

The pricing policies for the above-mentioned transactions were set by reference to market prices.

9 LEASING ARRANGEMENTS

The company is a lessee under an operating lease. Details of the company's commitments under the non-cancellable operating lease are set out as follows:

The company leases its office premises under an operating lease.

During the year, HK\$385,400 (2019: HK\$440,600) was recognised as an expense in the income statement in respect of the leasing of the office premises.

The total future minimum lease payments under the non-cancellable operating lease are payable as follows:

	2020 HK\$	2019 HK\$
Within one year	423,600	617,600
After one year but within five years	282,400	460,000
	----- 706,000 =====	----- 877,600 =====

10 STATUS OF COMPANY

The company is a non-profit making company incorporated in Hong Kong which is limited by guarantee and not having share capital. Under the provision of the company's Memorandum of Association, every member, whilst he/ she is a member, or within one year after he/ she ceased to be a member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company, but not exceeding HK\$100.

11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Church's Committee Member on 05 NOV 2021

ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

(For management purposes only)

	2020 HK\$	2019 HK\$
Revenue		
Donation income	1,230,971	1,398,643
Activities income	-	17,610
	<u>1,230,971</u>	<u>1,416,253</u>
 Other income		
Bank interest income	8	427
Government subsidies	76,500	-
	<u>76,508</u>	<u>427</u>
	<u>1,307,479</u>	<u>1,416,680</u>
 Expenses		
Depreciation	9,636	9,636
Staff costs		
Church's Committee Members' other emoluments	383,000	369,800
Salaries and allowances	114,000	88,875
Mandatory provident fund contributions	17,025	21,907
Administrative and other operating expenses	576,368	682,190
	<u>1,100,029</u>	<u>1,172,408</u>
 Surplus for the year	<u>207,450</u>	<u>244,272</u>

ABUNDANT GRACE REVIVAL CHRISTIAN CHURCH LIMITED
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020 (CONT'D)

(For management purposes only)

	2020 HK\$	2019 HK\$
<u>Administrative and other operating expenses</u>		
Activities expenses	2,685	45,324
Auditors' remuneration	5,000	5,000
Books and magazines	338	546
Building management fee	9,600	9,600
Cleaning	745	-
Donations	129,066	140,166
Insurance	4,100	6,449
Local travelling	-	325
Office premises rent under operating leases	385,400	440,600
Office supplies	18,544	191
Postage and courier	543	277
Printing and stationery	4,407	4,250
Repairs and maintenance	-	1,300
Sundries	1,235	5,467
Telephone	1,647	900
Utilities	13,058	21,795
	----- 576,368 =====	----- 682,190 =====