

ENG YU EVANGELISTIC MISSION
(基督教會恩兩堂)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



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關詒蓀、關永樂會計師事務所
Y.S. KWAAN, W.L. KWAAN & CO.
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)
HONG KONG

ENG YU EVANGELISTIC MISSION
(基督教會恩兩堂)
FOR THE YEAR ENDED 31 DECEMBER 2020

<u>CONTENT</u>	<u>PAGES</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 FUND	8
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS	9 - 17

ENG YU EVANGELISTIC MISSION REPORT OF THE DIRECTORS

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

Principal place of business

Eng Yu Evangelistic Mission ("the Association") is an Association incorporated and domiciled in Hong Kong and has its registered office at 26 Ching Wah Street, North Point, Hong Kong, and principal place of business at 26 Ching Wah Street, North Point, Hong Kong and at Flat A, B & C, 1/F., Lin Hing House, No.9 Tsuen Hing Path, Tsuen Wan, New Territories.

Principal activity

The principal activity of the Association is providing a place of worship to fellow Christians.

The state of the Association's affairs and appropriations

The state of the Association's affairs as at 31 December 2020 are set out in the financial statements on page 6 to 17.

Property, plant and equipment

The movements in property, plant and equipment during the year are set out in note 10 to the financial statements.

Investment property

The movements in investment property during the year are set out in note 11 to the financial statements.

Directors

The directors who held office during the year and up to date of this report were :

Lau Wing Sang	
Nip Kam Fan	(deceased on 13 March 2021)
Lai Kong Hou	
Chan Kam Ching	
Lau Tat Yuen	
Wong Pei Lung	(for Tsuen Wan branch)
Lau Yan Tak	
Wong Kar Man Ezra	
Chan Wai Sun, Wilson	(for Tsuen Wan branch)
Chan Tak Ming	(for Tsuen Wan branch)
Lai Zai Sau Gee	

In accordance with the Association's Articles of Association, all directors shall continue to remain in office for the ensuing year.

Management Contracts

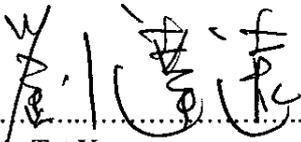
No contracts concerning the management and administration of the whole or any substantial part of the business of the Association were entered into or existed during the year.

**ENG YU EVANGELISTIC MISSION
REPORT OF THE DIRECTORS (continued)**

Auditors

Y.S. Kwaan, W.L. Kwaan & Co., Certified Public Accountants (Practising) retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Y.S. Kwaan, W.L. Kwaan & Co., Certified Public Accountants (Practising) as the company's auditors is to be proposed at the forthcoming Annual General Meeting.

FOR AND ON BEHALF OF THE BOARD



.....
Lau Tat Yuen

Director

Hong Kong, 31 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENG YU EVANGELISTIC MISSION (incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of Eng Yu Evangelistic Mission (the "Association") set out on pages 6 to 17, which comprise the statement of financial position as at 31 December 2020, and the income statement and statement of changes in fund 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.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to PN 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 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 comprises the information included in the report of the directors, 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 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 Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF ENG YU EVANGELISTIC MISSION (incorporated in Hong Kong with limited by guarantee)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements (Continued)

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. The 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 person for the contents of the report. 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

**TO THE MEMBERS OF
ENG YU EVANGELISTIC MISSION**
(incorporated in Hong Kong with limited by guarantee)

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

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.

A handwritten signature in black ink, appearing to read 'Y.S. Kwaan', with a stylized flourish at the end.

Y.S. KWAAN, W.L. KWAAN & CO.

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)
ROOM 402, TUNG CHAI BUILDING,
88-90 WELLINGTON STREET,
CENTRAL, HONG KONG

Hong Kong, 31 March 2021

**ENG YU EVANGELISTIC MISSION
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

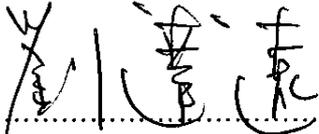
	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Revenue	4	5,658,873.90	5,740,196.60
Other revenue	5	737,653.20	284,304.64
Administrative and other operating expenses		(5,272,529.83)	(5,163,606.49)
Finance costs	6	(22,448.34)	(24,587.47)
Surplus for the year	7	<u>1,101,548.93</u>	<u>836,307.28</u>

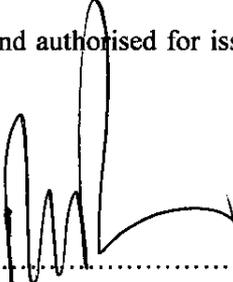
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**ENG YU EVANGELISTIC MISSION
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 HK\$	2019 HK\$
Non-current assets			
Land and building under finance lease	10	3,763,278.39	3,922,358.41
Property, plant and equipment	10	3,280,293.20	3,624,693.22
Investment property	11	8,105.19	9,005.77
		<u>7,051,676.78</u>	<u>7,556,057.40</u>
Current assets			
Other receivables		7,463.70	24,599.86
Deposit and prepayment		197,946.77	200,364.57
Cash and bank balances		12,351,730.35	10,511,328.06
		<u>12,557,140.82</u>	<u>10,736,292.49</u>
Current liabilities			
Rental deposit received		--	24,000.00
Accrued expenses		45,740.20	37,942.00
Bank loan - secured	12	789,454.43	834,686.09
Provision for staff medical allowance	14	1,384,575.37	1,182,732.71
		<u>2,219,770.00</u>	<u>2,079,360.80</u>
Net current assets		<u>10,337,370.82</u>	<u>8,656,931.69</u>
Total assets less current liabilities		<u>17,389,047.60</u>	<u>16,212,989.09</u>
Non-current liabilities			
Provision for long service payment	15	1,121,938.98	1,047,429.40
		<u>1,121,938.98</u>	<u>1,047,429.40</u>
NET ASSETS		<u>16,267,108.62</u>	<u>15,165,559.69</u>
FUND			
Church building fund		1,162,209.04	1,162,209.04
Accumulated fund		15,104,899.58	14,003,350.65
		<u>16,267,108.62</u>	<u>15,165,559.69</u>

The financial statements on pages 6 to 17 were approved and authorised for issue by the board of directors on 31 March 2021.


.....
Lau Tat Yuen
Director


.....
Chan Kam Ching
Director

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

**ENG YU EVANGELISTIC MISSION
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Church building fund</u> HK\$	<u>Accumulated fund</u> HK\$	<u>Total</u> HK\$
Balance at 1 January 2020	1,162,209.04	14,003,350.65	15,165,559.69
Changes in fund for 2020			
- Surplus for the year	--	1,101,548.93	1,101,548.93
Balance at 31 December 2020	<u>1,162,209.04</u>	<u>15,104,899.58</u>	<u>16,267,108.62</u>

**ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Eng Yu Evangelistic Mission ("the Association") is an Association domiciled in Hong Kong and has its principal place of business at No. 26 Ching Wah Street, North Point, Hong Kong and at Flat A, B & C, 1/F., Lin Hing House, No.9 Tsuen Hing Path, Tsuen Wan, New Territories. The principal activity of the Association is providing a place of worship to fellow Christians.

2. Legal status of the association and members' financial obligation

The Association is incorporated under the predecessor Hong Kong Companies Ordinance (Chapter 32) limited by guarantee and not having a share capital.

The income and property of the Association shall be applied solely towards the promotion of the objects of the Association and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or profit to the members of the Association.

In the event of the winding up of the Association, every member and former member who ceased to be a member within one year of the date of winding up shall be required to contribute an amount not exceeding HK\$20 each for the payment of the Association's debts, liabilities, and the cost and expenses of winding up.

3. Basis of preparation of the financial statements

The Association qualifies for the reporting exemption as a small guarantee company under section 359 (1)(a) for the Hong Kong Companies Ordinance (Cap. 622). The Association is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the "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 Association 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 association and when the revenue can be measured reliably, on the following bases:

- (i) donation income is recognised when the donations are received;
- (ii) rental income is recognised on a time proportion basis over the lease terms; and
- (iii) interest income is recognised on a time basis, by reference to the principal outstanding and at the interest rate applicable.

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

**ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Basis of preparation of the financial statements (continued)

(c) 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 reducing balance method. The principal annual rates used for depreciation are as follows:

- Land and Building under finance leases	4% - 10%
- Plant, machinery and other fixed assets	10%

(d) Investment property

Investment property, being property owned or held under finance leases to earn rentals, are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, if any.

Depreciation and impairment loss are calculated and recognised in the same manner as the depreciation and impairment loss on property, plant and equipment as set out in note 3c.

Gain or loss arising from the retirement or disposal of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in income statement in the period of the retirement or disposal.

(e) 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. 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.

(f) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Association are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

**ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Basis of preparation of the financial statements (continued)

(f) Leases (continued)

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.

(g) Other receivables

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 charged to the income statement.

(h) Employee benefits

(i) Employment Ordinance long service payments

Certain of the Association's employees have completed the required number of years of service to the Association in order to be eligible for long service payments under the Employment Ordinance in the event of the termination of their employment. The Association is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employee from their service to the Association to the end of reporting period.

(ii) Retirement benefit costs

The Association operated a defined contribution Mandatory Provident Fund retirement benefits scheme in Hong Kong (the "MPF Scheme") under the Mandatory Provident Fund Scheme Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employee's basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The Association's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(i) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(j) Government grant

A government grant related to income (e.g. wage subsidies) shall be presented as part of profit or loss under a general heading "Other income".

ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Revenue

Revenue represents the amounts received during the year as follows :

	<u>2020</u> HK\$	<u>2019</u> HK\$
Donation income	<u>5,658,873.90</u>	<u>5,740,196.60</u>

5. Other revenue

	<u>2020</u> HK\$	<u>2019</u> HK\$
Interest income	76,323.30	98,816.94
Rental income	132,000.00	127,600.00
Government grant - Employment Support Scheme	378,660.00	--
Other income	150,669.90	57,887.70
	<u>737,653.20</u>	<u>284,304.64</u>

6. Finance costs

	<u>2020</u> HK\$	<u>2019</u> HK\$
Interest on bank loan - secured	<u>22,448.34</u>	<u>24,587.47</u>

7. Surplus for the year

Surplus for the year is arrived at after charging / (crediting) :

	<u>2020</u> HK\$	<u>2019</u> HK\$
Amortisation and depreciation	524,457.62	568,890.09
Staff costs		
- mandatory provident fund contributions	124,807.96	116,543.64
- salaries, wages and other benefits	2,481,740.00	2,330,872.57
- provision for long service payment	74,509.58	32,851.46
	<u>2,681,057.54</u>	<u>2,480,267.67</u>
Key management personnel remuneration (including amounts paid to the Company's directors as disclosed in note 9)	--	--
In respect of premises under operating leases:		
- rent	279,600.00	267,383.87
Bank interest income	(76,323.30)	(98,816.94)
Rental income:		
Gross rents from investment property less direct outgoing of \$22,500.00 (2019: \$19,378.00)	(109,500.00)	(108,222.00)

**ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Income taxes

The Association is exempted from Hong Kong Profits tax under Section 88 of the Inland Revenue Ordinance.

9. Directors' remuneration

(a) Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Directors' fees	--	--
Salaries and allowances	--	--
Benefits other than in cash	--	--
Discretionary bonuses	--	--
Contribution to defined contribution retirement schemes	--	--
Remuneration paid or payable in respect of accepting office as directors	--	--
Emoluments paid or payable in respect of director's other services in connection with the management of affairs of the Association	--	--
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

(b) There were no payments made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity while directors.

(c) Loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and other connected entities.

There were no quasi-loans and other dealings in favour of directors, controlled bodies corporate and other connected entities.

(d) Guarantees to banks for loans granted to directors of the Association

The Association had not paid or incurred any liability for the purpose of fulfilling the guarantee or discharging the security given to banks for loans granted to the directors during the year and the previous year.

(e) There were no consideration provided to or receivable by third parties for making available the services of a person as director or in any other capacity while director.

ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Property, plant and equipment

	<u>Land and buildings under finance lease</u> HK\$	<u>Decoration</u> HK\$	<u>Furniture and fixtures</u> HK\$	<u>Total</u> HK\$
Cost				
At 1 Jan 2019	6,946,215.42	4,148,599.80	1,985,950.80	13,080,766.02
Additions	--	49,293.00	125,172.00	174,465.00
Disposal	--	--	--	--
At 31 Dec 2019	<u>6,946,215.42</u>	<u>4,197,892.80</u>	<u>2,111,122.80</u>	<u>13,255,231.02</u>
At 1 Jan 2020	6,946,215.42	4,197,892.80	2,111,122.80	13,255,231.02
Additions	--	16,067.00	4,010.00	20,077.00
Disposal	--	--	--	--
At 31 Dec 2020	<u><u>6,946,215.42</u></u>	<u><u>4,213,959.80</u></u>	<u><u>2,115,132.80</u></u>	<u><u>13,275,308.02</u></u>
Accumulated depreciation and impairment losses:				
At 1 Jan 2019	2,858,711.26	1,258,651.28	1,022,927.40	5,140,289.94
Charge for the year	165,145.75	293,924.16	108,819.54	567,889.45
Written back on disposal	--	--	--	--
At 31 Dec 2019	<u>3,023,857.01</u>	<u>1,552,575.44</u>	<u>1,131,746.94</u>	<u>5,708,179.39</u>
At 1 Jan 2020	3,023,857.01	1,552,575.44	1,131,746.94	5,708,179.39
Charge for the year	159,080.02	266,138.44	98,338.58	523,557.04
Written back on disposal	--	--	--	--
At 31 Dec 2020	<u><u>3,182,937.03</u></u>	<u><u>1,818,713.88</u></u>	<u><u>1,230,085.52</u></u>	<u><u>6,231,736.43</u></u>
Net book value				
At 31 Dec 2020	<u><u>3,763,278.39</u></u>	<u><u>2,395,245.92</u></u>	<u><u>885,047.28</u></u>	<u><u>7,043,571.59</u></u>
At 31 Dec 2019	<u><u>3,922,358.41</u></u>	<u><u>2,645,317.36</u></u>	<u><u>979,375.86</u></u>	<u><u>7,547,051.63</u></u>

(a) Land and buildings under finance lease is located in Hong Kong on a medium term lease.

(b) One of the land and buildings under finance lease is pledged to a bank to secure general banking facilities on 7 January 2015.

ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Investment property

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Cost		
At 1 Jan	236,000.00	236,000.00
Additions	--	--
Disposal	--	--
At 31 Dec	<u>236,000.00</u>	<u>236,000.00</u>
Accumulated depreciation		
At 1 Jan	226,994.23	225,993.59
Charge for the year	900.58	1,000.64
Written back on disposal	--	--
At 31 Dec	<u>227,894.81</u>	<u>226,994.23</u>
Net book value		
At 31 Dec	<u><u>8,105.19</u></u>	<u><u>9,005.77</u></u>

The investment property is situated in Hong Kong and held under long term leases.

The gross rental income derived from the investment property for the year amounted to HK\$132,000.00 (2019: HK\$127,600.00).

The Association leases out investment property under operating leases. The lease term for a property is normally for a period of 1 to 2 years. Lease payments would be reviewed after the expiry of the lease to reflect market rentals. No contingent rent is incorporated in the leasing arrangement.

The future minimum lease receipts under those non-cancellable operating leases in the aggregate and for each of the following years are:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Not later than one year	--	120,000.00
Later than one year and not later than five years	--	--
Later than five years	--	--
	<u>--</u>	<u>120,000.00</u>

As the end of the reporting period, the fair value of the investment properties was HK\$ 4,320,000.00 (2019: HK\$ 4,300,000.00), which was determined by the director.

ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Bank loan - secured

At 31 December 2020, the bank loan was repayable as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Within 1 year	789,454.43	834,686.09
After 1 year	--	--
	<u>789,454.43</u>	<u>834,686.09</u>

As at 31 December 2020, the banking facility was secured by the pledge of Association's leasehold land and building with aggregate carrying value as at 31 December 2020 of HK\$2,489,541.76 (2019: HK\$2,593,272.66).

Bank loans of the Association with carrying amounts of HK\$789,454.43 (2019: HK\$834,686.09) containing repayment on demand clause have been classified in total as current liabilities in accordance with HK Interpretation 5 Presentation of Financial Statements - Classification by the borrower of a Term Loan that Contains a Repayment on Demand Clause.

13. Commitments under operating lease

The future minimum lease payments under those non-cancellable operating leases in the aggregate and for each of the following periods are:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Not later than one year	346,970.97	488,470.97
Later than one year and not later than five years	--	198,100.00
Later than five years	--	--
	<u>346,970.97</u>	<u>686,570.97</u>

14. Provision for staff medical allowance

	<u>2020</u> HK\$	<u>2019</u> HK\$
At 1 January	1,182,732.71	1,178,909.29
Increase in provision for staff medical allowance	234,460.00	29,447.18
Utilization in the year	(32,617.34)	(25,623.76)
At 31 December	<u>1,384,575.37</u>	<u>1,182,732.71</u>

**ENG YU EVANGELISTIC MISSION
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Provision for long service payments

	<u>2020</u> HK\$	<u>2019</u> HK\$
At 1 January	1,047,429.40	1,014,577.94
Initial provision for long service payment	--	--
Increase in employee benefits for long service payment	74,509.58	32,851.46
At 31 December	<u>1,121,938.98</u>	<u>1,047,429.40</u>

**ENG YU EVANGELISTIC MISSION
SUPPORTING SCHEDULES
YEAR OF ASSESSMENT 2020/2021**

<u>CONTENT</u>	<u>SCHEDULE</u>
INCOME AND EXPENDITURE ACCOUNT	1
ADDITIONS TO FIXED ASSETS	2
BUILDING MANAGEMENT FEE	3
PROVISION FOR STAFF MEDICAL ALLOWANCE	4
PROVISION FOR LONG SERVICE PAYMENT	5
RENTAL EXPENSES	6
REPAIRS AND MAINTENANCE	7
TRAVELLING EXPENSES	8
INTEREST EXPENSES	9

Disclosure under Section 436 of the Hong Kong Companies Ordinance

The figures and financial information relating to the year ended 31 December 2020 included in this statement are not the Association's statutory annual financial statements for that year. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

As the Association is a private small guarantee company, the Association is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Association's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

**ENG YU EVANGELISTIC MISSION
YEAR OF ASSESSMENT 2020/2021
INCOME AND EXPENDITURE ACCOUNT**

	Schedule 1	
	<u>2020</u> HK\$	<u>2019</u> HK\$
<u>Income</u>		
Donation received	5,658,873.90	5,740,196.60
Interest received	76,323.30	98,816.94
Rental income	132,000.00	127,600.00
Other income	529,329.90	57,887.70
	<u>6,396,527.10</u>	<u>6,024,501.24</u>
<u>Expenditure</u>		
Agency fee	--	6,000.00
Amortisation and depreciation	524,457.62	568,890.09
Auditors' remuneration	38,300.00	34,500.00
Bank charges	500.00	500.00
Baptized expense	--	759.20
Branch operating expense	272,698.53	299,872.30
Building management fee (Schedule 3)	7,680.00	7,680.00
Cleaning fee	47,821.50	43,385.80
Electricity, gas and water	21,936.50	58,585.88
Funeral expense	3,578.40	1,864.00
Insurance	22,026.88	21,034.05
Interest expenses (Schedule 9)	22,448.34	24,587.47
Mandatory provident fund contributions	124,807.96	116,543.64
Ministry expenses	678,796.00	936,690.20
Provision for long service payment (Schedule 5)	74,509.58	32,851.46
Provision for staff medical allowance (Schedule 4)	234,460.00	29,447.18
Rates and government rent	14,514.00	25,135.00
Rental expenses (Schedule 6)	279,600.00	267,383.87
Repairs and maintenance (Schedule 7)	242,932.10	142,937.00
Salaries and allowance	2,481,740.00	2,330,872.57
Security fees	2,256.00	2,256.00
Stamp and postage	1,519.50	2,238.80
Stamp duty	--	326.50
Stationery and printing	28,068.36	31,742.29
Sundry expenses	30,042.70	36,677.60
Supplement expense	34,000.00	42,500.00
Telephone	15,358.00	15,344.90
Travelling expenses (Schedule 8)	90,926.20	107,588.16
	<u>5,294,978.17</u>	<u>5,188,193.96</u>
Surplus for the year	1,101,548.93	836,307.28
Balance brought forward	14,003,350.65	13,167,043.37
Balance carried forward	<u>15,104,899.58</u>	<u>14,003,350.65</u>

**ENG YU EVANGELISTIC MISSION
YEAR OF ASSESSMENT 2020/2021**

Schedule 2

ADDITIONS TO FIXED ASSETS

	<u>North Point church</u> HK\$	<u>Tsuen Wan church</u> HK\$	<u>Total</u> HK\$
<u>Furniture and fixtures</u>			
1 Air-Conditioner with Installation	4,010.00	--	4,010.00
<u>Decoration</u>			
室內裝修工程 - 工程餘款及完成一年保養費	--	16,067.00	16,067.00
	<u>4,010.00</u>	<u>16,067.00</u>	<u>20,077.00</u>

Schedule 3

BUILDING MANAGEMENT FEE

HK\$

Paid to : The Incorporated Owners of Fu King Court,
Good System Management Limited

- Flat E, 12/F., Fu King Court, No. 18 - 24, Ching Wah Street,
North Point, Hong Kong

For period from 1 January 2020 to 31 December 2020

7,680.00

(Schedule 1)

**ENG YU EVANGELISTIC MISSION
YEAR OF ASSESSMENT 2020/2021**

Schedule 4

PROVISION FOR STAFF MEDICAL ALLOWANCE

	2020 HK\$	2019 HK\$
Balance at 1 January	1,182,732.71	1,178,909.29
Increase in provision for staff medical allowance (Schedule 1)	234,460.00	29,447.18
Utilization in the year	(32,617.34)	(25,623.76)
	<hr/>	<hr/>
Balance at 31 December	<u>1,384,575.37</u>	<u>1,182,732.71</u>

Schedule 5

PROVISION FOR LONG SERVICE PAYMENT

	North Point <u>church</u> HK\$	Tsuen Wan <u>church</u> HK\$	<u>Total</u> HK\$
Balance at 1 January	413,679.40	633,750.00	1,047,429.40
Increase in employee benefits for long service payment	59,359.58	15,150.00	74,509.58 (Schedule 1)
	<hr/>	<hr/>	<hr/>
Balance at 31 December	<u>473,038.98</u>	<u>648,900.00</u>	<u>1,121,938.98</u>

**ENG YU EVANGELISTIC MISSION
YEAR OF ASSESSMENT 2020/2021**

Schedule 6

RENTAL EXPENSES

HK\$

Paid to : 彭慧賢

Re : Room 202, 2/F., Cheung Ming Building
Nos.75, Tai Hoi Road, Tsuen Wan

Charge : 1 January 2020 to 31 December 2020

123,600.00

Paid to : Wah Foo Enterprises Company Limited

Re : Flat F, 4/F., On Foo Building
Nos.36 Lo Tak Court, Tsuen Wan, New Territories

Charge : 1 January 2020 to 31 December 2020

156,000.00

279,600.00

(Schedule 1)

**ENG YU EVANGELISTIC MISSION
YEAR OF ASSESSMENT 2020/2021**

Schedule 7

REPAIRS AND MAINTENANCE

	North Point church HK\$	Tsuen Wan church HK\$	Total HK\$
Repairs to:			
<u>Re: No. 26 Ching Wah Street, North Point, H.K.</u>			
維修四樓廁所地台及G層兒童活動室地台換膠地板	34,300.00	--	34,300.00
固定電力裝置檢測工程	63,000.00	--	63,000.00
換天花風扇	760.00	--	760.00
外牆拆Banner	4,200.00	--	4,200.00
清洗冷氣機22部	8,750.00	--	8,750.00
正門大門電動卷閘維修工程	7,500.00	--	7,500.00
警鐘換電池	930.00	--	930.00
更換緊急照明燈	2,850.00	--	2,850.00
冷氣機檢查費及維修費	4,650.00	--	4,650.00
LED, 光管	172.00	--	172.00
教會滅蚊, 滅虫服務	6,030.00	--	6,030.00
更換外牆玻璃工程款	25,800.00	--	25,800.00
更換低位、高位玻璃及鐵網工程款	83,610.00	--	83,610.00
保險賠償-倒樹已引致玻璃破損	(30,830.00)	--	(30,830.00)
消防年險	1,600.00	--	1,600.00
	213,322.00	--	213,322.00

Re: Flat E, 12nd Floor, Fu King Court, Nos. 18-24 Ching Wah Street, North Point, H.K.

消防工程集資	20,430.00	--	20,430.00
加裝鋁簷篷、接駁廁所地台去水及更換洗衣機水龍	--	3,600.00	3,600.00
三樓A座廁所水箱咸水掣	--	900.00	900.00
三樓C座音響設備更換及檢查費用	--	1,200.00	1,200.00
紅外線探熱器4部	--	1,596.00	1,596.00
手拉車	--	160.00	160.00
膠隔板	--	1,300.00	1,300.00
二樓辦公室櫃	--	424.10	424.10
	--	9,180.10	9,180.10
	233,752.00	9,180.10	242,932.10

(Schedule 1)

ENG YU EVANGELISTIC MISSION
YEAR OF ASSESSMENT 2020/2021

Schedule 8

TRAVELLING EXPENSES

	North Point <u>church</u> HK\$	Tsuen Wan <u>church</u> HK\$	<u>Total</u> HK\$
王呂生牧師	700.00	--	700.00
朱世平牧師	700.00	--	700.00
洪少樂牧師	700.00	--	700.00
唐財方牧師	2,100.00	--	2,100.00
梁友東牧師	700.00	--	700.00
楊學明牧師	700.00	--	700.00
伍智聰傳道	700.00	--	700.00
鄭玉華傳道	700.00	--	700.00
嚴鳳翔牧師	1,400.00	--	1,400.00
鍾健楷牧師	700.00	--	700.00
劉群英姑娘	700.00	--	700.00
劉世增牧師講道	700.00	--	700.00
陳肇兆牧師講道	700.00	--	700.00
袁明業牧師	1,400.00	--	1,400.00
樓恩德牧師	700.00	--	700.00
勞黃慧心傳道	700.00	--	700.00
劉文亮牧師	700.00	--	700.00
陳凱欣姑娘講道	1,400.00	--	1,400.00
何照洪長老	--	1,000.00	1,000.00
何寶生牧師	--	3,000.00	3,000.00
李正榮牧師	--	4,000.00	4,000.00
沈志雄牧師	--	2,000.00	2,000.00
羅華明牧師	--	5,000.00	5,000.00
葉志偉牧師	--	3,000.00	3,000.00
郭幼文教士	--	24,000.00	24,000.00
陳娜幹事	--	12,000.00	12,000.00
陳曉莉姊妹	--	7,000.00	7,000.00
劉洪中弟兄	--	12,000.00	12,000.00
同工/活動車費 (eg. 八達通, 隧道費, 泊車費, 搬運費, 的士)	1,826.20	--	1,826.20
	<u>17,926.20</u>	<u>73,000.00</u>	<u>90,926.20</u>

(Schedule 1)

**ENG YU EVANGELISTIC MISSION
YEAR OF ASSESSMENT 2020/2021**

Schedule 9

INTEREST EXPENSES

Total
HK\$

Paid for property: Flat A, 2/F., Lin Hing House, No. 9 Tsuen Hing Path,
Tsuen Wan, New Territories

Mortgage loan interest paid to Shanghai Commercial Bank Limited

22,448.34

(Schedule 1)