

ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH, 2021

Wong Fuk Shing, Philip
Certified Public Accountant (Practising)
Hong Kong



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**ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**

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**ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
REPORT OF THE EXECUTIVE COMMITTEE MEMBERS**

Page 1

The Members of the Executive Committee present their report and the audited financial statements of accounts for the year ended 31st March, 2021.

PRINCIPAL ACTIVITIES

The Company is engaged in the operation of church (the "Church").

The Church is a charitable religious organization and is engaged in the work of evangelism, to lead people to Christ, to nurture the spiritual lives of the believers to worship together and to build up the Church so as to fulfill church mission.

RESULTS

Operating results during the year are set out in the statement of comprehensive income on page 6.

The state of affairs of the Church as at 31st March, 2021 is set out in the statement of financial position on page 7.

The movement in the Church's cash flow during the year is set out in the statement of cash flows on page 9.

CHARITABLE DONATIONS

Charitable donations made by the Church during the year amounted to HK\$93,000 (2020: HK\$52,500).

EXECUTIVE COMMITTEE MEMBERS

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

Ms. Ng Yan Miu
Mr. Law Chung Hin, Daniel
Mr. Chan Wai Cheung
Mr. Chan Kar Yeung
Mr. Wong Yeung Fan
Mr. Yu Seng Yee, Steven

In accordance with Article 34 of the Church's articles of association, all existing Executive Committee Members shall hold office for a term of 2 years and shall be eligible for re-election to serve two further terms of 2 years each at the expiry of his/her original and first successive term of office. No person having served three terms consecutively shall be further nominated to serve as an Executive Committee Member unless there has been a lapse of two years before his/her previous term of service.

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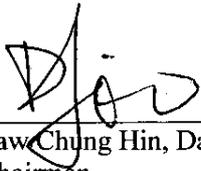
**ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
REPORT OF THE EXECUTIVE COMMITTEE MEMBERS**

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AUDITOR

The financial statements have been audited by Wong Fuk Shing, Philip, Certified Public Accountant (Practising) who retires and, being eligible, offers himself for re-appointment at the forthcoming annual general meeting.

On behalf of the
Executive Committee



Law Chung Hin, Daniel
Chairman
Hong Kong, 5th October, 2021

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WONG FUK SHING, PHILIP

CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

Room 1303, Kenbo Commercial Building, 335-339 Queen's Road West, Hong Kong
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香港皇后大道西 三三五至三三九號
崑保商業大廈二二零三室
電話 二八五一 六五五九
傳真 二五五九 六一六零

王福成會計師

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED

(Incorporated in Hong Kong and Company Limited by Guarantee)

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OPINION

I have audited the financial statements of Abundant Grace Christian Assembly Limited ("the Church") set out on pages 6 to 12, which comprise the statement of financial position as at 31st March, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the Church as at 31st March, 2021 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for PE") 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

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Church in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

OTHER INFORMATION

The Executive Committee Members are responsible for the other information. The other information comprises the information included in the Report of the Executive Committee Members set out on pages 1 to 2 and detailed income and expenditure account set out on page 13, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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WONG FUK SHING, PHILIP
CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(Incorporated in Hong Kong and Company Limited by Guarantee)

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RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE MEMBERS FOR THE FINANCIAL STATEMENTS

The Executive Committee Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for PE issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive 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 Executive 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 Executive Committee Members either intend to liquidate the Church or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

It is my responsibility to form an independent opinion, based on my audit, on those financial statements and to report my opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report. My 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 my opinion. 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Church's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee Members.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED

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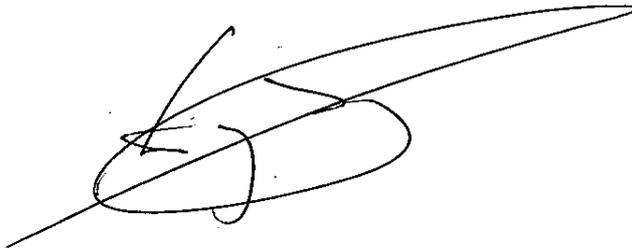
(Incorporated in Hong Kong and Company Limited by Guarantee)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONTINUED)

- conclude on the appropriateness of the Executive 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



Wong Fuk Shing, Philip
Certified Public Accountant (Practising)
Practising Certificate No.: P05233
Hong Kong, 5th October, 2021

ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong Dollars)

Page 6

	<u>NOTE</u>	<u>2021</u>	<u>2020</u>
TURNOVER	5	780,244	677,214
OTHER REVENUE	6	6,284	14,162
		<hr/>	<hr/>
		786,528	691,376
EXPENSES		(750,417)	(703,531)
		<hr/>	<hr/>
SURPLUS/(DEFICIT) AND TOTAL COMPREHENSIVE INCOME/(LOSS) BEFORE TAXATION	8	<u><u>36,111</u></u>	<u><u>(12,155)</u></u>

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

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ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2021
 (Expressed in Hong Kong Dollars)

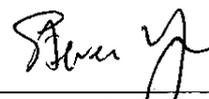
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	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Deposit paid	115,200	115,200
Prepayment	3,164	15,764
Bank balances		
Fixed deposit	-	582,442
Savings account	649,515	101,894
Current account	428,709	332,427
Cash balance	-	-
	<u>1,196,588</u>	<u>1,147,727</u>
CURRENT LIABILITIES		
Accruals	14,880	2,130
	<u>1,181,708</u>	<u>1,145,597</u>
NET ASSETS	<u>1,181,708</u>	<u>1,145,597</u>
EQUITY		
GENERAL FUND	598,690	562,579
SPECIFIC FUND	583,018	583,018
	<u>1,181,708</u>	<u>1,145,597</u>

The financial statements on pages 6 to 12 were approved and authorised for the issue by the Executive Committee on 5th October, 2021 and are signed on its behalf by:



Chairman of the
Executive Committee



Hon. Treasurer

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

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ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong Dollars)

	<u>Specific Fund</u>	<u>General Fund</u>	<u>Total</u>
Balance as at 31st March, 2019	573,468	584,284	1,157,752
Deficit for the year	-	(12,155)	(12,155)
Fund transferred	9,550	(9,550)	-
	<hr/>	<hr/>	<hr/>
Balance as at 31st March, 2020	583,018	562,579	1,145,597
Surplus for the year	-	36,111	36,111
Fund transferred	-	-	-
	<hr/>	<hr/>	<hr/>
Balance as at 31st March, 2021	<u><u>583,018</u></u>	<u><u>598,690</u></u>	<u><u>1,181,708</u></u>

ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong Dollars)

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	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	36,111	(12,155)
Adjustment for Interest income	(6,284)	(9,132)
	<hr/>	<hr/>
Operating cash flows before movement in working capital	29,827	(21,287)
Changes in prepayment	12,600	(416)
Changes in accruals	12,750	50
	<hr/>	<hr/>
NET CASH GENERATED FROM/(USED IN) OPERATIONS	55,177	(21,653)
Interest income	6,284	9,132
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	61,461	(12,521)
CASH AND CASH EQUIVALENTS AT 1ST APRIL	1,016,763	1,029,284
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 31ST MARCH	<u>1,078,244</u>	<u>1,016,763</u>
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 31ST MARCH		
Represented by:		
Cash and bank balances	<u>1,078,244</u>	<u>1,016,763</u>

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ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
(Expressed in Hong Kong Dollars)

1. GENERAL

The Company is engaged in the operation of church (the "Church").

The Church is a charitable religious organisation and is engaged in the work of evangelism, to lead people to Christ, to nurture the spiritual lives of the believers to worship together and to build up the Church so as to fulfill church mission.

The address of the registered office is located at Shop D19 on First Floor of Broadway Plaza, Arian Commercial Centre, 2-12 Queen's Road West, Hong Kong.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Church.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost basis except certain financial instruments which are measured at their fair value, as explained in the accounting policies set out below. The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the HKICPA and include applicable disclosures required by the Hong Kong Companies Ordinance. The principal accounting policies adopted are as follows: -

a. Depreciation

Plant and equipment purchased during the year are fully written off in the income and expenditure account.

b. Revenue recognition

Offering received donations and auction received.
Revenue received is recognised on cash basis.

c. Financial instruments

Financial assets and financial liabilities are recognised on the Church's statement of financial position when the Church becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

d. Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme are charges as expenses as they fall due.

ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
(Expressed in Hong Kong Dollars)

3. CRITICAL ACCOUNTING JUDGEMENTS

The Church makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There have no estimates and assumptions that have a significant risk of causing a material adjustment to carrying amount of assets and liabilities within the next financial year.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Church does not have written risk management policies and guideline. However, the Executive Committee Members meet periodically to analyze and formulate measures to manage the Church's exposure to market risk, including principally changes in interest rates and currency exchanges rates. Generally, the Church employs a conservative strategy regarding its risk management. As the executive committee members of the Church consider that the Church's exposure to market risk is kept at a minimum level, the Church has not used any derivatives or other instruments for hedging purpose. The Church does not hold or issue derivative financial instruments for trading purposes.

The financial assets of the Church comprise primarily deposits and prepayments, accounts and other receivable and cash and cash equivalents. The financial liabilities of the Church comprise accounts and other payable.

a. Interest rates risk

The Church is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities. Interest bearing financial assets is mainly balances with banks which are all short-term in nature. There is no interest-bearing financial liability. Therefore, any variations in interest rates may have no significant impact on the result of the Church.

b. Credit risk

The Church's principal financial assets are bank balances which represents the Church's maximum exposure to credit risk in relation to financial assets.

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings agencies.

c. Fair value

The fair value of the Church's financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments.

d. Liquidity risk

The Church has sufficient funds to finance its ongoing working capital requirements.

ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
(Expressed in Hong Kong Dollars)

5. TURNOVER

The turnover of the Church represents: -

	<u>2021</u>	<u>2020</u>
Contribution received	780,244	677,214

6. OTHER REVENUE

	<u>2021</u>	<u>2020</u>
Interest income	6,284	9,132
Other income	-	5,030
	<u>6,284</u>	<u>14,162</u>

7. EMOLUMENT OF EXECUTIVE COMMITTEE MEMBERS

None of the Executive Committee Members received emoluments for their services rendered to the Church for the year (2020: Nil).

8. SURPLUS/(DEFICIT) AND TOTAL COMPREHENSIVE INCOME/(LOSS)

Surplus/(Deficit) before tax is arrived at:

	<u>2021</u>	<u>2020</u>
After charging the following item:		
Staff costs	(258,000)	(251,700)

9. COMMITMENTS UNDER OPERATING LEASE

The Church had the following total future minimum lease payments payable under non-cancellable operating lease:

	<u>2021</u>	<u>2020</u>
Not later than one year	-	181,548
Later than one year	-	-
	<u>-</u>	<u>181,548</u>

10. TAXATION

The Church is exempt from Hong Kong profit tax.

(FOR MANAGEMENT PURPOSES ONLY)
ABUNDANT GRACE CHRISTIAN ASSEMBLY LIMITED
(COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2021
(Express in Hong Kong Dollars)

Page 13

	<u>2021</u>	<u>2020</u>
INCOME		
Contribution received	780,244	677,214
Outgoing income	-	5,030
Bank interest income	6,284	9,132
	<hr/>	<hr/>
	786,258	691,376
	<hr/>	<hr/>
LESS: EXPENDITURE		
Bank charges	750	300
Donations	98,000	52,500
Holy functions expenses	1,984	-
Insurance	4,675	4,632
Mandatory provident fund	12,780	12,655
Outgoing expenses	-	9,438
Printing and stationery	1,031	1,810
Rent	311,450	323,928
Repairs, maintenance and equipment purchased	14,403	1,550
Salaries and allowance	258,000	251,700
Sundry expenses	39,245	39,172
Telephone	7,140	4,806
Water and electricity	959	1,040
	<hr/>	<hr/>
	750,417	703,531
	<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR	36,111	(12,155)
ACCUMULATED SURPLUS BROUGHT FORWARD	562,579	584,284
	<hr/>	<hr/>
ACCUMULATED SURPLUS CARRIED FORWARD	598,690	572,129
TRANSFERRED TO SPECIFIC FUND	-	(9,550)
	<hr/>	<hr/>
	598,690	562,579
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