

FAMILY DEVELOPMENT FOUNDATION LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021



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(EXPRESSED IN THE NEAREST HONG KONG DOLLARS)

FAMILY DEVELOPMENT FOUNDATION LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2021

The directors submit their annual report together with the audited financial statements for the year ended March 31, 2021.

PRINCIPAL ACTIVITIES

The principal activities of the foundation are engaged in promoting Christian fellowship, to shepherd the believers, to have worship services together, to fulfil all the commands which the Lord Jesus Christ has entrusted to Christian believers, to advance the Gospel through the ministries in churches, schools, hospitals, social welfare services centres and other educational institutions, and to carry out activities with the above mentioned organisation for religious and charitable purposes.

DIRECTORS

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

Mr. Chan Shui Shing
Mrs. Chow Lee Chi Tuen, Stella
Mr. Lui Yu Mo, Moses
Ms. Ma Mok Lan
Ms. Ngai Mei Wah
Mr. Yan Tat On

In accordance with the Articles of Association, all directors shall hold office for two years, but shall be eligible for re-election at the Annual General Meeting immediate after the expiration thereof such that the directors shall continue in office until such time of Annual General Meeting at which the directors shall retire but eligible for re-election.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors of the foundation is currently in force and was in force throughout this year.

...../To be continued

FAMILY DEVELOPMENT FOUNDATION LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2021

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AUDITORS

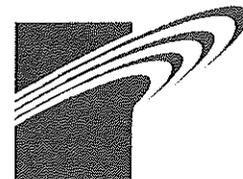
Philip Poon & Partners CPA Limited are the foundation's retiring auditors who, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD



Mr. Yan Tat On

Hong Kong
November 17, 2021



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAMILY DEVELOPMENT FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Family Development Foundation Limited (“the Foundation”) set out on pages 7 to 14, which comprise the statement of financial position as at March 31, 2021, and the income statement and the statement of changes in funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Foundation are prepared, in all material respects, in accordance with the 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.

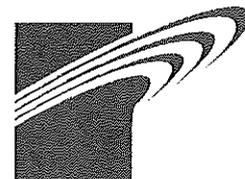
Basis for opinion

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 auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors’ report, but does not include the financial statements and our auditor’s report thereon.

...../To be continued



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAMILY DEVELOPMENT FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)

...../Continued

Other information (continued)

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.

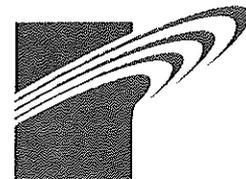
Responsibilities of directors and those charged with governance for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

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

...../To be continued



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAMILY DEVELOPMENT FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)

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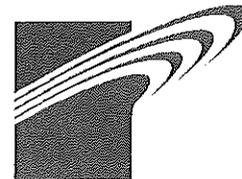
Auditor's responsibilities for the audit of the financial statements

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 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 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

...../To be continued



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAMILY DEVELOPMENT FOUNDATION LIMITED
(Incorporated in Hong Kong and limited by guarantee)

...../Continued

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Certified Public Accountants
Hong Kong
November 17, 2021

Philip Poon & Partners CPA Limited
Mr. Poon Chin Chung, Philip
Practising Certificate No.: P01748

FAMILY DEVELOPMENT FOUNDATION LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

	<u>NOTE</u>	<u>2021</u> \$	<u>2020</u> \$
<u>Income</u>			
Donation income		1,164,480	874,637
Course and speech income		439,008	605,794
Bank interest income		5	68
Government grants under Employment Scheme Support		156,540	--
Sundry income		3,600	8,802
		<u>1,763,633</u>	<u>1,489,301</u>
		-----	-----
<u>Expenditures</u>			
Accounting fee		18,000	18,000
Auditors' remuneration		8,500	8,500
Bank charges		1,520	1,600
Cleaning expenses		8,821	8,886
Computer expenses		43,792	26,798
Course expenses		59,896	131,155
Delivery and postage		555	742
Depreciation	5	19,017	16,388
Entertainment		13,103	11,913
Insurance		16,856	18,839
MPF contribution		43,344	44,534
Oversea ministry expenses		--	11,485
Printing and stationery		14,765	15,647
Rent		193,200	253,000
Repairs and maintenance		4,650	--
Salaries		1,276,781	1,288,178
Secretarial service fee		5,800	--
Speech expenses		54,300	60,578
Staff medical expenses		1,350	--
Sundry expenses		3,290	5,887
Telephone expenses		17,531	14,652
Travelling expenses		2,077	7,753
Utilities		5,065	11,817
		<u>1,812,213</u>	<u>1,956,352</u>
		-----	-----
Deficit for the year		<u>(48,580)</u>	<u>(467,051)</u>
		=====	=====

The notes on pages 10 to 14 form part of these financial statements.

FAMILY DEVELOPMENT FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	<u>NOTE</u>	<u>2021</u> \$	<u>2020</u> \$
NON-CURRENT ASSETS			
Property, plant and equipment	5	44,305	27,105
		-----	-----
CURRENT ASSETS			
Accounts receivable		--	1,500
Prepayments and deposits		56,224	34,985
Bank balances and cash		2,322,084	2,411,018
		-----	-----
		2,378,308	2,447,503
		-----	-----
CURRENT LIABILITIES			
Accruals		13,000	17,715
Receipt in advance		1,300	--
		-----	-----
		14,300	17,715
		-----	-----
NET CURRENT ASSETS		2,364,008	2,429,788
		-----	-----
NET ASSETS LESS CURRENT LIABILITIES		2,408,313	2,456,893
		=====	=====
FINANCED BY			
Members' fund		2,408,313	2,456,893
		=====	=====

Approved and authorised for issue by the board of directors on November 17, 2021



Mr. Yan Tat On



Mr. Chan Shui Shing

The notes on pages 10 to 14 form part of these financial statements.

FAMILY DEVELOPMENT FOUNDATION LIMITED

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED MARCH 31, 2021

	Members' fund \$
Balance at beginning of year	2,456,893
Deficit for the year	(48,580)

Balance at end of year	2,408,313
	=====

The notes on pages 10 to 14 form part of these financial statements.

FAMILY DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1. GENERAL INFORMATION

Family Development Foundation Limited is a company incorporated in Hong Kong and limited by guarantee. The address of its registered office is Flat A & B, 1/F., Lee Wai Building, 654-658 Nathan Road, Mongkok, Kowloon, Hong Kong.

The principal activities of the foundation are engaged in promoting Christian fellowship, to shepherd the believers, to have worship services together, to fulfil all the commands which the Lord Jesus Christ has entrusted to Christian believers, to advance the Gospel through the ministries in churches, schools, hospitals, social welfare services centres and other educational institutions, and to carry out activities with the above mentioned organisation for religious and charitable purposes.

2. BASIS OF PREPARATION

The foundation qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance. The foundation 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 foundation is a going concern.

The measurement base adopted is the historical cost convention.

FAMILY DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 foundation and when the revenue can be measured reliably, on the following bases:

- (i) donation income is recognised upon money received;
- (ii) service income is recognised when services are rendered by reference to the stage of completion of the transaction;
- (iii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest rates applicable; and
- (iv) government grants are recognised where there is a reasonable assurance that the foundation will comply with the conditions attaching to them and the grants will be received. Grants relating to costs are deferred and recognised as income in the income statement over the periods necessary to match them with the related costs they are intended to compensate, on a systematic basis.

(b) Foreign exchange

The reporting currency of the foundation is Hong Kong Dollars, which is the currency of the primary economic environment in which the foundation operates. Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and any 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 estimated useful lives are as follows:

Computer	5 years
Furniture and equipment	5 years
Leasehold improvement	5 years

FAMILY DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) 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, long-term investments, investments in subsidiaries, investments in associates and joint ventures. 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.

(e) Operating 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 or credited to the income statement on a straight-line basis over the lease term.

(f) Accounts and other receivables

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

4. TAXATION

No provision has been made for Hong Kong Profits Tax as the foundation is a charitable organisation exempted under section 88 of the Inland Revenue Ordinance.

FAMILY DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

5. PROPERTY, PLANT AND EQUIPMENT

	<u>Computer</u> \$	<u>Furniture and equipment</u> \$	<u>Leasehold Improvement</u> \$	<u>Total</u> \$
<u>Cost:</u>				
At April 1, 2020	61,715	92,463	52,000	206,178
Additions	18,630	17,587	--	36,217
At March 31, 2021	<u>80,345</u>	<u>110,050</u>	<u>52,000</u>	<u>242,395</u>
<u>Accumulated depreciation and impairment losses:</u>				
At April 1, 2020	48,988	85,018	45,067	179,073
Depreciation for the year	7,106	4,978	6,933	19,017
At March 31, 2021	<u>56,094</u>	<u>89,996</u>	<u>52,000</u>	<u>198,090</u>
<u>Net carrying amount:</u>				
At April 1, 2020	<u>12,727</u>	<u>7,445</u>	<u>6,933</u>	<u>27,105</u>
At March 31, 2021	<u>24,251</u>	<u>20,054</u>	<u>--</u>	<u>44,305</u>

6. BENEFITS AND INTEREST OF DIRECTORS

Directors' remuneration

None of the directors received or will receive any fees or emoluments in respect of their services to the foundation during the year (2020: Nil).

FAMILY DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

7. OPERATING LEASE COMMITMENTS

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

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Not later than one year	276,000	276,000
Later than one year	552,000	--
	<u>828,000</u>	<u>276,000</u>
	<u>=====</u>	<u>=====</u>