

**ABOUNDING GRACE BAPTIST
CHURCH**

REPORTS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER, 2020

**CERTIFIED
TRUE COPY**

植佩芬



安力圖會計師行有限公司

Onesto CPA Limited

Certified Public Accountants (Practising)



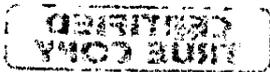
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ABOUNDING GRACE BAPTIST CHURCH

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ABOUNDING GRACE BAPTIST CHURCH

COUNCILLORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities are carrying out the functions of the Baptist Church and receiving offerings and contribution.

RESULTS AND APPROPRIATIONS

The results of the Church for the year ended 31 December, 2020 and the state of affairs of the Church at that date are set out on pages 6 to 20 of the financial statements.

COUNCILLORS

The councillors during the year were:

Au Yeung Siu Hung, Jim	
Chan Chi Yung	
Chan Tak Fai, Rayson	(Resigned on 1/1/2020 and appointed on 1/1/2021)
Chan Yiu Keung	(Resigned on 1/7/2020)
Cheng Lai Wa	
Cheng Woon Yam	
Chik Pui Fun	
Chik Pui Man	
Lee Yuk Him	
Li Suk Han	
Ma Hon Chau	
Ng Pun Tung	
Wong Mei Kei	(Resigned on 1/1/2021)
Tam Pit Ha	(Appointed on 1/1/2021)

DONATIONS

During the year, the Church made HK\$65,000 donations (2019: HK\$105,500).

ABOUNDING GRACE BAPTIST CHURCH

COUNCILLORS' REPORT - continued

BUSINESS REVIEW

Under section 388(3), the Church is exempted from preparation of a business review as the Church falls within the reporting exemption for the financial year.

CHURCH COUNCIL MEMBERS' INTERESTS

No contracts of significance to which the Church was a party and in which a Church Council member had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Church a party to any arrangements to enable the Church Council member of the Church to acquire benefits by means of the acquisition of shares in, or debentures of the Church or any other body corporate.

AUDITORS

The auditors, Messrs. Onesto CPA Limited retire and, being eligible, offer themselves for appointment. A resolution for the reappointment of Messrs. Onesto CPA Limited as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the Councillors



Abounding Grace Baptist Church
Chik Pui Fun
Chairman

HONG KONG, 28 May, 2021



安力圖會計師行有限公司

Onesto CPA Limited

Certified Public Accountants (Practising)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ABOUNDING GRACE BAPTIST CHURCH
(Incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of Abounding Grace Baptist Church ("the Church") set out on page 6 to 20, which comprise the statement of financial position as at 31 December, 2020, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for year then ended 31 December, 2020 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Church as at 31 December, 2020, and of its financial performance and its cash flows for the year then ended 31 December, 2020 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") 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 Church in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with 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 councillors are responsible for the other information. The other information comprises the councillors' 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.



安力圖會計師行有限公司

Onesto CPA Limited

Certified Public Accountants (Practising)

INDEPENDENT AUDITORS' REPORT - continued
TO THE MEMBERS OF
ABOUNDING GRACE BAPTIST CHURCH
(Incorporated in Hong Kong with limited by guarantee)

Responsibilities of the Councillors for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report 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. 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 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 Church's internal control.



安力圖會計師行有限公司

Onesto CPA Limited

Certified Public Accountants (Practising)

INDEPENDENT AUDITORS' REPORT - continued
TO THE MEMBERS OF
ABOUNDING GRACE BAPTIST CHURCH
(Incorporated in Hong Kong with limited by guarantee)

Auditors' Responsibilities for the Audit of the Financial Statements - continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councillors.
- Conclude on the appropriateness of the councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Church's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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.

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.

Onesto CPA Limited
Certified Public Accountants (Practising)
Ching Wai Man
Practising Certificate Number: P02862

HONG KONG, 28 May, 2021

ABOUNDING GRACE BAPTIST CHURCH 恩潮浸信會

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

損益表和其他綜合收益

FOR THE YEAR ENDED 31 DECEMBER, 2020 截至二零二零年十二月三十一日止年度

		註 Notes	2020 HK\$	2019 HK\$
Revenue	主要收入	6	5,602,162	6,125,204
Other revenue	其他收入	6	<u>34,757</u>	<u>122,295</u>
			5,636,919	6,247,499
Operating expenses	營運開支		<u>(5,285,315)</u>	<u>(6,094,127)</u>
Surplus for the year	本年度盈餘	8	<u><u>351,604</u></u>	<u><u>153,372</u></u>

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

ABOUNDING GRACE BAPTIST CHURCH 恩潮浸信會

**STATEMENT OF CHANGES IN GENERAL AND OTHER FUNDS
FOR THE YEAR ENDED 31 DECEMBER, 2020 截至二零二零年十二月三十一日止年度**

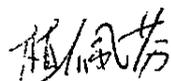
	Charity Fund HK\$	Missionary Fund HK\$	Theological Study Fund HK\$	Service Fund HK\$	Repair and maintenance Fund HK\$	教會發展基金 HK\$	Church Fund Subtotal HK\$	Rebuilding Fund HK\$	Accumulated Surplus HK\$	Total HK\$
Balance at 31/12/2018	157,229	673,904	118,435	4,782	283,690	-	1,238,040	126,316,751	3,659,288	131,214,079
Donation received	56,499	1,047,605	59,300	-	240,309	-	1,403,713	-	-	1,403,713
Expenses other than depreciation	(39,990)	(872,986)	-	(4,782)	-	-	(917,758)	-	-	(917,758)
Surplus for the year	-	-	-	-	-	-	-	-	153,372	153,372
Balance at 31/12/2019	173,738	848,523	177,735	-	523,999	-	1,723,995	126,316,751	3,812,660	131,853,406
Transfer to 教會發展基金	-	-	-	-	-	259,730	259,730	-	(259,730)	-
Donation received	78,640	773,483	22,290	-	85,347	23,500	983,260	-	351,604	1,334,864
Expenses other than depreciation	(57,146)	(861,594)	-	-	-	-	(918,740)	-	-	(918,740)
Surplus for the year	-	-	-	-	-	-	-	-	-	-
Balance at 31/12/2020	195,232	760,412	200,025	-	609,346	283,230	2,046,245	126,316,751	3,904,534	132,269,530

ABOUNDING GRACE BAPTIST CHURCH 恩潮浸信會

STATEMENT OF FINANCIAL POSITION 財務狀況表
AS AT 31 DECEMBER, 2020 截至二零二零年十二月三十一日止

		Notes	2020 HK\$	2019 HK\$
NON-CURRENT ASSETS	非流動資產			
Property under development	發展中物業	10	<u>124,858,351</u>	<u>123,904,095</u>
CURRENT ASSETS	流動資產			
Sundry receivables	雜項應收款項		121,500	141,500
Prepayment	已付款項		-	8,715
Investments in securities	證券投資		524,210	598,970
Cash and bank balances	現金及銀行存款	11	<u>6,773,468</u>	<u>7,294,501</u>
			<u>7,419,178</u>	<u>8,043,686</u>
CURRENT LIABILITIES	流動負債			
Accruals	應付費用		7,999	22,038
Bank overdraft	銀行透支		-	72,337
			<u>7,999</u>	<u>94,375</u>
NET CURRENT ASSETS	流動資產		<u>7,411,179</u>	<u>7,949,311</u>
NET ASSETS	資產總淨值		<u>132,269,530</u>	<u>131,853,406</u>
REPRESENTED BY:-				
Church fund	教會基金		2,048,245	1,723,995
Rebuilding fund	重建基金		126,316,751	126,316,751
Accumulated surplus	累積盈餘		<u>3,904,534</u>	<u>3,812,660</u>
TOTAL FUND AND SURPLUS	基金及盈餘總數		<u>132,269,530</u>	<u>131,853,406</u>

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



Chik Pui Fun
Chairman



Ma Hon Chau
Treasurer

Date of approval by
Council of Management: 28 May, 2020

ABOUNDING GRACE BAPTIST CHURCH 恩潮浸信會

STATEMENT OF CASH FLOWS 現金流量表
FOR THE YEAR ENDED 31 DECEMBER, 2020 截至二零二零年十二月三十一日止年度

	2020 HK\$	2019 HK\$
Operating activities 營運活動		
Surplus from operations 經營盈餘	351,604	153,372
Adjustments for: 調整		
Depreciation 折舊	-	41,414
Unrealised Loss/(gain) on investment in securities 投資收入	74,760	(24,030)
Dividend income 股息收入	(27,874)	(27,813)
Bank interest income 利息收入	(13,443)	(15,084)
Operating surplus before		
working capital changes 未計營運資本之經營盈餘	385,047	127,859
Increase in prepayment 已付款項增加	8,715	(525)
Increase in sundry receivables 雜項應收款項增加	20,000	(8,705)
Decrease in accruals 應付賬款減少	(14,039)	(183)
Net cash generated from operating activities	<u>399,723</u>	<u>118,446</u>
營運所用的現金淨額		
Investing activities 投資活動		
Payment of property under development 付發展中物業	(954,256)	(275,849)
Dividend received 股息收入	27,874	27,813
Bank interest received 利息收入	13,443	15,084
Net cash used in investing activities 投資活動所用的現金淨額	<u>(912,939)</u>	<u>(232,952)</u>
Financing activities 融資活動		
Net cash surplus of church fund 教堂基金的淨現金盈餘	416,124	485,955
Net cash generated from investing activities	<u>416,124</u>	<u>485,955</u>
投資活動產生的現金淨額		
Net increase in		
cash and cash equivalents 現金及現金等值項目增加之淨值	(448,696)	371,449
Cash and cash equivalents at		
the beginning of year 年初現金及現金等值	<u>7,222,164</u>	<u>6,850,715</u>
Cash and cash equivalents at the end of year 年末現金及現金等值	<u>6,773,468</u>	<u>7,222,164</u>
Analysis of balance of cash and cash equivalents 現金及現金等值項目結餘分析		
Cash and bank balances 現金及銀行存款	6,773,468	7,294,501
Bank overdraft 銀行透支	-	(72,337)
	<u>6,773,468</u>	<u>7,222,164</u>

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020

1. GENERAL INFORMATION

The Church is a private church incorporated in Hong Kong and limited by guarantee. The address of its registered office is 200 Po Kong Village Road, Diamond Hill, Kowloon, Hong Kong. The principal activities are carrying out the functions of the Baptist Church and receiving offerings and contribution.

2. BASIS OF PREPARATION

(a) **Statement of compliance with Hong Kong Financial Reporting Standards**

The company's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. A summary of significant accounting policies adopted by the company is set out in note 3.

The measurement basis used in preparing the financial statements is historical cost.

In 2020, the company has initially applied the new and revised HKFRSs issued by the HKICPA that are first effective for accounting periods beginning on or after 1 January, 2020. A summary of the changes in accounting policies resulting from the company's application of these HKFRSs is set out as below.

(b) **Initial application of Hong Kong Financial Reporting Standards**

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

Amendments to HKFRS 3	Definition of a Business
Amendment to HKFRS 16	Covid-19-Related Rent Concessions

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the company. The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Donation and other receivables

Donation and other receivables are initially recognised at fair value, and subsequently stated at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

(c) Interest-bearing borrowings

Interest-bearing borrowings, mainly bank loans and overdrafts, are measured initially at fair value less transaction cost and, after initial recognition, at amortised cost, plus or minus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount.

(d) Revenue and revenue recognition

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

- Offerings and contributions received are recognised on actual cash basis.
- Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.
- Any other income not mentioned above is recognised whenever it is received and receivable.

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued

3. SIGNIFICANT ACCOUNTING POLICIES – continued

(e) Employee benefit

Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Church of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Church. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

Termination benefits are recognised when, and only when, the Church demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued

3. SIGNIFICANT ACCOUNTING POLICIES – continued

(f) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Where the Church acquires leasehold land for own use under a finance lease, the prepaid cost included in property, plant and equipment on initial recognition represents the fair value of the leasehold land, or if lower, the present value of the minimum lease payments, determined at the inception of the lease and any initial direct costs of the lessee (incremental costs that are directly attributable to negotiating and arranging a lease).

The other cost of such items of property, plant and equipment comprises the following:

- the purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Assets held under finance leases, for which there is no reasonable certainty that the Church will obtain ownership at the end of the lease term, are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant lease. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold improvement	20%
Fixtures and equipment	20%
Office equipment	20%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued

3. SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Impairment of assets

Internal and external sources of information are reviewed at each date of statement of financial position to identify indications that the fixed assets other than the investment properties may be impaired or an impairment loss previously recognized no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its receivable amount.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognized in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount.

- Reversals of impairment losses

An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued

3. SIGNIFICANT ACCOUNTING POLICIES - continued

(h) **Related parties**

For the purposes of these financial statements, a related party includes a person and entity as defined below :-

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint venture of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employee of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel if the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued

3. SIGNIFICANT ACCOUNTING POLICIES - continued

(i) Operating lease charge

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Church determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Leases of assets under which the lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. Lease of asset under which the lessor has not transferred to the lessee all the risks and rewards of ownership are classified as operating leases.

Where the Church has the use of assets under operating leases, payments made under the leases are charged to the statement of profit or loss and other comprehensive income in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the statement of profit or loss and other comprehensive income as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the statement of profit or loss and other comprehensive income in the accounting period in which they are incurred.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Church's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are discussed below.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not apparent from other sources.

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued

5. CHANGES IN ACCOUNTING POLICIES

The application of the new and revised HKFRSs has no material effects on the Church's financial performance and positions.

The HKICPA has issued certain new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Church. There have been no significant changes to the accounting policies applied in these financial statements as a result of these developments. The Church has not early adopted the relevant new and revised standards, interpretations and amendments that have been issued but are not yet effective.

6. REVENUE AND OTHER REVENUE

An analysis of Church's revenue and other revenue are as follows:

	2020 HK\$	2019 HK\$
Revenue		
Offerings and contribution:		
Sunday	217,761	433,262
Monthly	4,595,841	4,896,303
Thanksgiving	773,130	660,537
Miscellaneous	15,430	135,102
	<u>5,602,162</u>	<u>6,125,204</u>
Other revenue		
Bank interest income	13,443	15,084
Dividend income	27,874	27,813
Other income	68,200	55,368
Unrealised (loss)/gain on investment in securities	(74,760)	24,030
	<u>34,757</u>	<u>122,295</u>
	<u><u>5,636,919</u></u>	<u><u>6,247,499</u></u>
	=====	=====

ABOUNDING GRACE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued

7. DISCLOSURE OF COUNCILLORS' REMUNERATION AND KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2020 HK\$	2019 HK\$
Fees	Nil	Nil
Other emoluments	Nil	Nil
	=====	=====

8. SURPLUS FOR THE YEAR

Surplus for the year has been arrived at after charging:

	2020 HK\$	2019 HK\$
Auditors' remuneration	7,600	7,600
Depreciation	-	41,414
Donations and celebration	65,000	105,500
Staff cost, including councillors' emoluments		
basic salaries and allowances	3,282,718	3,868,145
retirement benefits scheme contributions	179,193	192,571
	=====	=====

9. TAXATION

No provision has been made for Hong Kong Profits Tax as the Church is exempted under section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution (2019: Nil).

ABOUNDING GRACE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2020 - continued**

10. PROPERTY UNDER DEVELOPMENT

	2020 HK\$	2019 HK\$
At cost		
At the beginning of the year	123,904,095	123,628,246
Addition	954,256	275,849
At the end of the year	<u>124,858,351</u> =====	<u>123,904,095</u> =====

11. CASH AND BANK BALANCES

	2020 HK\$	2019 HK\$
Cash on hand	5,000	5,291
Bank balances	6,773,468	7,289,210
	<u>6,778,468</u> =====	<u>7,294,501</u> =====

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Church's Council of Management on 28 May, 2021.

ABOUNDING GRACE BAPTIST CHURCH 恩潮浸信會

DETAILED INCOME AND EXPENDITURE ACCOUNT 收入及支出明細表 FOR THE YEAR ENDED 31 DECEMBER, 2020 截至二零二零年十二月三十一日止年度

		2020 HK\$	2019 HK\$
<u>Revenue</u>	<u>主要收入</u>		
Offerings and contribution:	奉獻收入:		
Sunday	主日	217,761	433,262
Monthly	常費奉獻	4,595,841	4,896,303
Thanks giving	感恩奉獻	773,130	660,537
Miscellaneous	雜項	15,430	135,102
		5,602,162	6,125,204
<u>Add: Other revenue</u>	<u>加: 其他收入</u>		
Bank interest income	利息收入	13,443	15,084
Dividend income	股息收入	27,874	27,813
Other income	其他收入	68,200	55,368
Unrealised loss/(gain) on investment in securities	證券投資未實現損益	(74,760)	24,030
		34,757	122,295
		5,636,919	6,247,499
<u>Less: Operating expenses</u>	<u>減: 營業成本</u>		
Auditors' remuneration	核數費	7,600	7,600
Bank charges	銀行手續費	908	1,900
Church activities fee	教會活動津貼	120,546	169,169
Cleaning fee	清潔費	11,175	12,677
Computer consumable	電腦雜費	9,600	9,600
Departmental Expenses - IT	部門支出-資訊部	7,180	18,911
Departmental Expenses - Community Services	部門支出-社區服侍部	52,218	72,951
Departmental Expenses - Travelling	部門津貼-慈惠部	1,162	300
Depreciation	折舊	-	41,414
Donations and celebration	捐款及慶祝活動	59,430	105,500
Electricity, telecommunication and water	水電費及電話費	213,417	267,047
Insurance	保險費	155,822	156,422
Legal and professional fee	專業費用	6,920	5,695
Mandatory provident fund	強積金	179,193	192,571
Office supplies	辦公室文儀用品	40,047	74,248
Postage, printing and stationery	郵資、印刷及文具	61,386	61,787
Rates and building management	差餉及物業管理費	624,600	593,278
Repairs and maintenance	維修及保養	382,235	345,808
Salaries and allowances	薪酬及津貼	3,282,718	3,868,145
Staff welfare, messing and reception expenses	員工福利、膳食及接待費	31,035	30,666
Sundry expenses	雜項費用	30,375	51,816
Training fee	培訓費用	5,840	890
Travelling	車費	1,908	5,732
		5,285,315	6,094,127
Surplus for the year	本年度盈餘	351,604	153,372