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CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)
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EMMANUEL BIBLE SCHOOL OF CHINA CO., LIMITED
(中華以馬內利聖經學院有限公司)

(INCORPORATED IN HONG KONG)

FINANCIAL STATEMENTS AS OF 31 MARCH 2021
TOGETHER WITH DIRECTORS' AND AUDITOR'S REPORT



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Emmanuel Bible School of China Co. Limited
Reports and financial statements
For the year ended 31 March 2021

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Emmanuel Bible School of China Co. Limited
Directors' report
For the year ended 31 March 2021

The directors present their annual report together with the audited financial statements of Emmanuel Bible School of China Co. Limited ("the Association") for the year ended 31 March 2021.

Principal activity

The Association is a non-profit making organization and its principal activities are the promotion of Christianity and the spreading of the Gospel during the year.

Financial results

The results of the Association for the year ended 31 March 2021 and the state of the Association 's affairs as at 31 March 2021 are set out in the annexed financial statements.

Property, plant and equipment

The movements in property, plant and equipment for the year ended 31 March 2021 are set out in note 7 to the financial statements.

Directors

The directors who held office during the year are as follows:

Ng Lai Fong	
Lee Shung Kin	
Chung Yuen Fun Cynthia	
Cheung Chun Kin	(Appointed on 1 April 2021)
Chan Chi Fu	(Appointed on 1 April 2021)

In accordance with the Articles 31 of the association's Memorandum and Articles of Association, all directors shall retire from office but, being eligible, offer themselves for re-election.

Management contracts

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

At no time during the year was the Association a party to any arrangement to enable the directors of the Association to obtain benefits by means of the acquisition of shares in or debentures of the Association or any other body corporate.

Emmanuel Bible School of China Co. Limited
Directors' report
For the year ended 31 March 2021

Business review

The Association falls within the reporting exemption for the financial year that the Association is exempted from preparing the business review.

Equity-linked agreements

No equity-linked agreements into which the Association entered subsisted at any time during the year.

Auditor

The accompanying financial statements were audited by Ma, Wai Kei Kenneth, Certified Public Accountant (Practising), who retire and, being eligible, offer himself for re-appointment.

Signed for and on behalf of
the Board of Directors



Lee Shung Kin

Hong Kong, 9 February 2022



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Independent auditor's report

To the members of
Emmanuel Bible School of China Co. Limited
(Incorporated in Hong Kong with limited by guarantee)

Opinion

I have audited the financial statements of Emmanuel Bible School of China Co. Limited ("the Company") set out on pages 6 to 13, which comprise the statement of financial position as at 31 March 2021 and the income statement for the year ended 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Company 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

I conducted my 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. 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 Company 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.

Information other than the financial statements and auditor's report thereon

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 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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Independent auditor's report

To the members of
Emmanuel Bible School of China Co. Limited
(Incorporated in Hong Kong with limited by guarantee)

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 sole director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the sole director either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

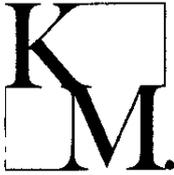
Auditor's responsibilities for the audit of the financial statements

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

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Independent auditor's report

To the members of

Emmanuel Bible School of China Co. Limited
(Incorporated in Hong Kong with limited by guarantee)

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

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

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.

MA, WAI KEI KENNETH
Certified Public Accountant (Practising)
Practising Certificate No. P07637

Hong Kong, 9 February 2022

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Emmanuel Bible School of China Co. Limited
Income statement
For the year ended 31 March 2021

	Note	2021 HK\$	2020 HK\$
Revenue	3	1,786,587	1,267,497
Other revenue	3	155,255	2,300
Administrative expense		<u>(1,398,550)</u>	<u>(1,185,053)</u>
Surplus before tax	4	543,292	84,744
Taxation	6	<u>-</u>	<u>-</u>
Surplus for the year		<u>543,292</u>	<u>84,744</u>

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

Emmanuel Bible School of China Co. Limited
Statement of financial position
As at 31 March 2021

	Note	2021 HK\$	2020 HK\$
Non-current assets			
Property, plant and equipment	7	<u>2,878</u>	<u>3,837</u>
Current assets			
Deposits paid		23,862	24,610
Cash and bank balances		<u>1,277,831</u>	<u>730,092</u>
		<u>1,301,693</u>	<u>754,702</u>
Current liabilities			
Other payable		10,000	42,101
Accrued expenses		<u>34,841</u>	<u>-</u>
		<u>(44,841)</u>	<u>(42,101)</u>
Net current assets		<u>1,256,852</u>	<u>712,601</u>
Net assets		<u>1,259,730</u>	<u>716,438</u>
Represented by:			
Equity and reserves			
Reserves	8	<u>1,259,730</u>	<u>716,438</u>
Total equity		<u>1,259,730</u>	<u>716,438</u>

Approved and authorised to issue by the Board of Directors on 9 February 2022.



 Lee Shung Kin
 Director



 Chan Chi Fu
 Director

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

Emmanuel Bible School of China Co. Limited
Accounting policies and explanatory notes to the financial statements
For the year ended 31 March 2021

1. Reporting entity

Emmanuel Bible School of China Co. Limited ("the Association") is a company incorporated in Hong Kong with limited by guarantee. The Association's registered office and principal place of business at A2, 9/F., Forda International Building, 16 Wang Chau Road, Yuen Long, New Territories, Hong Kong. The Association is a non-profit making organization and its principal object is to spread the teaching of the Gospel.

2. Significant accounting policies

The Company qualifies for the reporting exemption as a small private company under Section 359 of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of these 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 basis:

Offering income

Offering income arised from offering collected during Saturday and Sunday worship; and

Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Income tax

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(c) Foreign exchange

The reporting currency of the Company is Hong Kong Dollars, which is the currency of the primary economic environment in which the Company 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.

Emmanuel Bible School of China Co. Limited
Accounting policies and explanatory notes to the financial statements
For the year ended 31 March 2021

2. Significant accounting policies (cont'd)

(d) Government grant

Government grant are recognized at their fair value where there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expenses item, it is recognized as income over the periods necessary to match grant on a systematic basis to the costs that it is intended to compensate.

(e) Employment benefits

The Company pays contributions to a defined contribution retirement scheme under the Mandatory Provident Fund Scheme ("MPF Scheme") in Hong Kong. The assets of the scheme are held in separate trustee-administrated funds. The Company has no further payment obligations once the contributions have been paid in accordance with the rules of MPF Scheme. The contributions are charged to the income statement.

(f) Taxation

Taxation represents current tax expense. The tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(g) 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 straight-line method. The principal annual rates used for depreciation are as follows:

Furniture and fixture	20%
Office equipment	20%

(h) 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.

(i) 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.

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Emmanuel Bible School of China Co. Limited
Accounting policies and explanatory notes to the financial statements
For the year ended 31 March 2021

2. Significant accounting policies (cont'd)

(j) Other payable

Other payable are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(k) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Company 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.

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.

(l) Related parties

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

(I) A person, or a close member of that person's family is related to the Company if that person:

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

(II) An entity is related to the Association if any of the following conditions applies:

- (i) the entity and the Company 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 ventures 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 employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (I).
- (vii) a person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Emmanuel Bible School of China Co. Limited
Accounting policies and explanatory notes to the financial statements
For the year ended 31 March 2021

3. Revenue and other revenue

An analysis of the Association's revenue is as follows: -

	2021 HK\$	2020 HK\$
<u>Revenue</u>		
Offering income	503,844	1,246,359
Tuition income	87,850	15,138
Activities income	<u>1,194,893</u>	<u>6,000</u>
	<u>1,786,587</u>	<u>1,267,497</u>
<u>Other revenue</u>		
Bank interest income	37	242
Exchange gain, net	3,067	2,058
Government employment support scheme	148,545	-
Other revenue	<u>3,606</u>	<u>-</u>
	<u>155,255</u>	<u>2,300</u>

4. Surplus before tax

Surplus before taxation is stated after charging the following items

	2021 HK\$	2020 HK\$
<u>Charging:</u>		
Auditor's remuneration	3,000	-
Depreciation	959	3,391
Salaries and allowances	783,468	650,137
Mandatory provident fund	<u>40,133</u>	<u>28,235</u>

5. Directors' remuneration

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

6. Taxation

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

Emmanuel Bible School of China Co. Limited
Accounting policies and explanatory notes to the financial statements
For the year ended 31 March 2021

7. Property, plant and equipment

	Furniture & fixtures HK\$	Office equipment HK\$	Total HK\$
Cost:			
At 1 April and 31 March 2020	<u>6,064</u>	<u>26,935</u>	<u>32,999</u>
Accumulated depreciation:			
At 1 April 2020	6,064	23,098	29,162
Charge for the year	<u>-</u>	<u>959</u>	<u>959</u>
At 31 March 2021	<u>6,064</u>	<u>24,057</u>	<u>30,121</u>
Net carrying amount:			
At 31 March 2021	<u>-</u>	<u>2,878</u>	<u>2,878</u>
At 31 March 2020	<u>-</u>	<u>3,837</u>	<u>3,837</u>

8. Reserves

	Total HK\$
At 1 April 2020	716,438
Surplus for the year	<u>543,292</u>
At 31 March 2021	<u>1,259,730</u>

9. Operating lease commitments

During the year, the Association entered into operating leases for its retail shops in Hong Kong. As of 31 March 2021, the total annual commitment payable in the following year under non-cancelable operating leases in respect of rented properties is as follows:

	2021 HK\$	2020 HK\$
Within one year	192,000	-
Between second to fifth years inclusive	32,000	-
More than five years	<u>-</u>	<u>-</u>
	<u>224,000</u>	<u>-</u>

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Emmanuel Bible School of China Co. Limited
Accounting policies and explanatory notes to the financial statements
For the year ended 31 March 2021

10. Limited by guarantee

Every member of the Association undertakes to contribute to the assets of the Association, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the Association contracted before he ceases to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding Hong Kong Dollars One Hundred.

11. Approval of financial statements

These financial statements were approved by the Association's Board of Directors on 9 February 2022.

Emmanuel Bible School of China Co. Limited
Detailed income statement
For the year ended 31 March 2021
(For management purpose only)

	2021 HK\$	2020 HK\$
Revenue		
Offering income	503,844	1,246,359
Tuition income	87,850	15,138
Activities income	<u>1,194,893</u>	<u>6,000</u>
	<u>1,786,587</u>	<u>1,267,497</u>
Other revenue		
Bank interest income	37	242
Exchange gain, net	3,067	2,058
Government employment support scheme	148,545	-
Other revenue	<u>3,606</u>	<u>-</u>
	<u>155,255</u>	<u>2,300</u>
Administrative expense		
Auditor's remuneration	3,000	-
Allowances	31,346	8,412
Bank charges	660	594
Bank interest expenses	2	-
Building management fee	-	4,000
Celebration expenses	11,557	14,420
Computer expenses	15,879	-
China mission expenses	-	25,035
Cleaning expenses	8,803	9,120
Courier & postage	6,941	5,407
Depreciation	959	3,391
Donation	6,000	-
Entertainment	-	42,783
Insurance	7,786	6,714
Local mission expenses	28,317	59,486
Local travelling	6,304	19,496
Mandatory provident fund contributions	40,133	28,225
Office supply	2,399	8,011
China student sponsorship	82,931	7,000
Printing & stationery	19,132	26,135
Rent	193,250	195,528
Repair & maintenance	12,008	13,318
Salary	783,468	650,137
Staff training	-	12,480
Staff welfare	19,879	8,540
Stamp duty	460	-
Sundry expenses	4,876	-
Telephone	13,601	13,723
Tuition materials	97,300	15,791
Utility	<u>1,559</u>	<u>7,127</u>
	<u>(1,398,550)</u>	<u>(1,185,053)</u>

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(Cont...)

Emmanuel Bible School of China Co. Limited
Detailed income statement
For the year ended 31 March 2021
(For management purpose only)

	2021 HK\$	2020 HK\$
Surplus before tax	543,292	84,744
Taxation	<u>-</u>	<u>-</u>
Surplus for the year	<u>543,292</u>	<u>84,744</u>