

**ABUNDANT GRACE CHRISTIAN CHURCH LIMITED**

**2021**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31ST MARCH, 2021**

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**ABUNDANT GRACE CHRISTIAN CHURCH LIMITED**  
**REPORT OF THE EXECUTIVE COMMITTEE MEMBERS**

The executive committee members have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st March, 2021.

**Principal activities**

The principal activities of the Church are to preach the Gospel of Jesus Christ and provide religious services.

**Financial Statements**

The changes in general fund of the Church for the year ended 31st March, 2021 and the state of affairs of the Church as at that date are set out in the financial statements on pages 4 to 8.

The result for the year has been taken to general fund.

**Charitable donation**

Donation made by the Church during the year for charitable purposes was amounting to HK\$216,600 (2020: HK\$248,525).

**Executive committee members**

The executive committee members of the Church during the year and up to the date of this report are:

Chen Wai Man  
Chan Man Wai  
Chan Yin Chung  
Fong Pok Chun, Candy  
Fu Haiyan  
Ho Yiu Wai  
Leung Mark Wai Yam  
Long Kwai Ying

Subsequent to the date of financial position, Long Kwai Ying resigned on 26th July, 2021 as executive committee member. In accordance with the Church's Articles of Association, all existing executive committee members shall retire, and being eligible, offer themselves for re-election.

**Executive committee members' interests in transactions / arrangements or contracts**

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

**Auditor**

A resolution for the reappointment of K. L. Lam, C.P.A. (Practising), as auditor of the Association is to be proposed at the forthcoming annual general meeting.

For and on behalf of the Board



Chairman  
Hong Kong, 26th September, 2021

# K. L. LAM

Certified Public Accountant (Practising)  
Room B, 22/F., Nathan Commercial Building,  
430-436 Nathan Road, Kowloon.  
Tel : 2851 3811 Fax : 3579 3855

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABUNDANT GRACE CHRISTIAN CHURCH LIMITED (incorporated in Hong Kong with limited by guarantee)

### Opinion

I have audited the financial statements of Abundant Grace Christian Church Limited ("the Church") set out on pages 4 to 8, which comprise the statement of financial position as at 31st March, 2021, and the statement of income and changes in general fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion the financial statements of the Church 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 ("HKSAs") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS 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 obtained at the date of this auditor's report is information included in the executive committee members' report set out on page 1 and detailed income statement set out on page 9, 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 on the other information obtained prior to the date of this auditor's report, 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.

### Responsibilities of executive committee members and those charged with governance for the financial statements

The executive committee members 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 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.

# K. L. LAM

Certified Public Accountant (Practising)  
Room B, 22/F., Nathan Commercial Building,  
430-436 Nathan Road, Kowloon.  
Tel : 2851 3811 Fax : 3579 3855

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABUNDANT GRACE CHRISTIAN CHURCH LIMITED (incorporated in Hong Kong with limited by guarantee)

Those charged with governance are responsible for overseeing the Church'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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, 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.
- 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.

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.



Certified Public Accountant (Practising)

Hong Kong, 26th September, 2021

**ABUNDANT GRACE CHRISTIAN CHURCH LIMITED**  
**STATEMENT OF INCOME AND CHANGES IN GENERAL FUND**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

(Expressed in Hong Kong dollars)

	NOTE	2021 HKS	2020 HKS
Revenue	2(a)&3	972,583	946,331
Church activities		(84,189)	(102,128)
Administrative and other operating expenses		(1,173,578)	(1,421,225)
Deficit for the year	4	<u>(285,184)</u>	<u>(577,022)</u>
General fund brought forward		3,075,649	3,652,671
General fund carried forward		<u><u>2,790,465</u></u>	<u><u>3,075,649</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

ABUNDANT GRACE CHRISTIAN CHURCH LIMITED

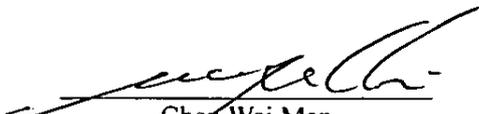
STATEMENT OF FINANCIAL POSITION

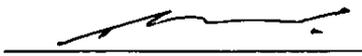
AT 31ST MARCH, 2021

(Expressed in Hong Kong dollars)

	NOTE	2021 HK\$	2020 HK\$
<b>Non-Current Assets</b>			
Plant and equipment	6	1,906,647	2,010,920
		-----	-----
<b>Current Assets</b>			
Deposits and prepayments		23,970	6,700
Cash at bank		885,312	1,080,626
		-----	-----
		909,282	1,087,326
		-----	-----
<b>Current Liabilities</b>			
Deposit received		8,000	8,400
Accrued expenses		17,464	14,197
		-----	-----
		25,464	22,597
		-----	-----
<b>Net Current Assets</b>		883,818	1,064,729
		-----	-----
<b>Net Assets</b>		2,790,465	3,075,649
		=====	=====
 <b>Church's Fund</b>			
General Fund		2,790,465	3,075,649
		=====	=====

Approved and authorised for issue by the board of executive committee members on 26th September, 2021

  
Chen Wai Man  
Executive committee member

  
Ho Yiu Wai  
Executive committee member

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

# ABUNDANT GRACE CHRISTIAN CHURCH LIMITED

## ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

### 1. General

The Church was incorporated under the Hong Kong Companies Ordinance on 17th November, 1997 as a company limited by guarantees and not having a share capital. The liability of each member with voting right is limited to the extent of HK\$10.

The address of the registered office and principal place of the Church is situated at 1/F., King Fai Court, 203-207 Lai Chi Kwok Road, Kowloon, Hong Kong.

The principal activities of the Church are to preach the Gospel of Jesus Christ and provide religious services.

### 2. Basis of preparation and accounting policies

The Church qualifies for the reporting exemption as a small private company under section 359(1)(a) 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 a going concern basis.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

#### (a) Revenue recognition

Revenue is recognized when the amount can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to Church.

- (i) Donation income is recognised on collectable basis.
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

#### (b) Taxation

The Church has been exempted under section 88 of the Inland Revenue Ordinance from any tax by reason of it being a charitable institution of a public character.

#### (c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The depreciable amount of an item of property, plant and equipment is allocated on systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Leasehold land and buildings	2.5% per annum
Leasehold improvements	20% per annum
Furniture and equipment	33% per annum

## 2. Basis of preparation and accounting policies (Continued)

### (d) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

### (e) 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 operation leases are charged for rental expenses or credited for rental income to the income statement on a straight-line basis over lease term.

### (f) Employee benefits

#### (i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Church of non-monetary benefits are recognised when they accrue to employee. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date, if employees are entitled to a cash payment for the unused leave.

#### (ii) Mandatory Provident Funds, ("MPF")

Under the "MPF", the Church has set up a MPF scheme for employees by participation in a master trust scheme provided by an independent MPF service provider to comply with requirements under the MPF Ordinance. Contributions paid and payable by the Church to the schemes are charged to the income statement.

## 3. Revenue

	<b>2021</b>	<b>2020</b>
	<b>HKS</b>	<b>HKS</b>
Donations	932,813	941,667
Sundry Income	---	150
Gain on disposal of equipment	---	4,500
Bank interest income	---	14
Cedar Fund income	39,770	---
	<u>972,583</u>	<u>946,331</u>

## 4. Deficit for the year

	<b>2021</b>	<b>2020</b>
	<b>HKS</b>	<b>HKS</b>
Deficit for the year		
is arrived at after charging:		
Audit fee	9,500	9,500
Donations	216,600	248,525
Depreciation	106,272	122,613
Staff salaries (excluding executive committee members' remuneration)	26,980	36,290
Mandatory provident fund contributions (excluding executive committee members' remuneration)	1,879	1,814
Program for Cedar Fund	39,770	---
	<u>                    </u>	<u>                    </u>

## 5. Executive committee members' remuneration

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

	2021 HK\$	2020 HK\$
Fees	---	---
Other emoluments	672,882	697,388
	<u>672,882</u>	<u>697,388</u>

## 6. Property, plant and equipment

At cost	Leasehold land and buildings HK\$	Leasehold Improvements HK\$	Furniture & Equipment HK\$	Total HK\$
At 1st April, 2020	2,796,250	465,702	175,728	3,437,680
Additions	---	---	1,999	1,999
At 31st March, 2021	<u>2,796,250</u>	<u>465,702</u>	<u>177,727</u>	<u>3,439,679</u>
	-----	-----	-----	-----
<b>Accumulated depreciation</b>				
At 1st April, 2020	908,778	361,442	156,540	1,426,760
Charge for the year	69,906	24,141	12,225	106,272
At 31st March, 2021	<u>978,684</u>	<u>385,583</u>	<u>168,765</u>	<u>1,533,032</u>
	-----	-----	-----	-----
<b>Net book value</b>				
At 31st March, 2021	<u>1,817,566</u>	<u>80,119</u>	<u>8,962</u>	<u>1,906,647</u>
	=====	=====	=====	=====
At 31st March, 2020	<u>1,887,472</u>	<u>104,260</u>	<u>19,188</u>	<u>2,010,920</u>
	=====	=====	=====	=====

## 7. Approval of financial statements

These financial statements are authorized for issue by the Church's board of executive committee members on 26th September, 2021

(For management purposes only)

**ABUNDANT GRACE CHRISTIAN CHURCH LIMITED**

**DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2021**

(Expressed in Hong Kong dollars)

	<b>2021 HK\$</b>	<b>2020 HK\$</b>
<b>Revenue</b>		
Donations	932,813	941,667
Sundry income	---	150
Gain on disposal of equipment	---	4,500
Bank interest income	---	14
Cedar Fund income	39,770	---
	<u>972,583</u>	<u>946,331</u>
	-----	-----
<b>Church activities</b>		
Function expenses	44,419	102,128
Program for Cedar Fund	39,770	---
	<u>(84,189)</u>	<u>(102,128)</u>
	-----	-----
<b>Administrative and other operating expenses</b>		
Audit fee	9,500	9,500
Book and taps	---	531
Building management fee	29,856	29,856
Cleaning expenses	15,485	19,683
Depreciation	106,272	122,613
Donations	216,600	248,525
Electricity and water	5,933	19,380
Executive committee members' remuneration	641,652	666,154
Gifts	---	100
Insurance	16,744	35,257
Internet expenses	5,892	4,058
Legal and professional fee	1,500	126,446
Mandatory provident fund contributions	33,109	33,048
Postage	335	1,258
Printing and stationery	11,560	12,381
Rates	9,540	9,540
Repairs and maintenance	11,408	22,218
Staff salaries	26,980	36,290
Telephone and communication	4,269	3,906
Travelling expenses	154	312
Sundry expenses	26,789	20,169
	<u>(1,173,578)</u>	<u>(1,421,225)</u>
	-----	-----
<b>Deficit for the year</b>	<u>(285,184)</u>	<u>(577,022)</u>
	=====	=====

The above financial information relating to the year ended 31st March, 2021 does not constitute the Church's specified financial statements for the year as defined in section 436 of the Hong Kong Companies Ordinance but is derived therefrom. The Church is not required to deliver its specified financial statements to the Registrar of Companies and has not done so. The auditor's report was unqualified and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.