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APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
- TUNG TAU FAVOUR CENTRE  
REPORTS AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021

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**INDEPENDENT AUDITOR'S REPORT  
TO THE EXECUTIVE COMMITTEE OF  
APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
(incorporated in Hong Kong with limited liability by guarantee)**

**Opinion**

We have audited the financial statements of Tung Tau Favour Centre (the "Centre"), a branch of Apostolic Faith Church of Hong Kong Limited (the "Church"), as set out on page 3 to 11 which comprises the statement of financial position as at 31 March 2021, the income statement for the year ended 31 March 2021 and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements of the Centre for the year ended 31 March 2021 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**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to PN 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 both the Church and the Centre in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 in the financial statements which indicates that the Centre's current liabilities exceeds its current assets by HK\$992,370 as at 31 March 2021. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Centre's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

**Responsibilities of the Executive Committee and Those Charged with Governance for the Financial Statements**

The Executive Committee is 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 controls as the Executive Committee Members determine is necessary to enable the preparation of the 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 Centre'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 either intends to cease operations or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT (CONT'D)  
TO THE EXECUTIVE COMMITTEE OF  
APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
(incorporated in Hong Kong with limited liability by guarantee)**

**Auditor's responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Centre 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. The report is made solely to you, as a body, in accordance with section 405 of 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 the report. 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, 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 Centre'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 use by the Executive Committee 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 Centre'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 Centre 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 controls that we identify during our audit.

*Yeung Man Wah & Co.*

**Yeung Man Wah & Co.  
Certified Public Accountants (Practising)  
2/F., Wing Yee Commercial Building  
5 Wing Kut Street, Central  
Hong Kong  
Date 27 OCT 2021**

APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
 - TUNG TAU FAVOUR CENTRE  
 INCOME STATEMENT  
 FOR THE YEAR ENDED 31 MARCH 2021

	2021 HK\$	2020 HK\$
<b>INCOME</b>		
Bank deposit interest income	2	130
Dedication received	26,254	38,397
Government subsidies	81,900	-
Membership fee	6,040	7,560
Program income	108,717	277,441
Rent and rates subsidies	107,220	108,030
Specific projects income	343,042	348,143
	<u>673,175</u>	<u>779,701</u>
<b>EXPENDITURE</b>		
Accounting fee	-	1,313
Audit fee	4,300	4,000
Bank charges	10	120
Cleaning expenses	1,272	472
Consumable appliances	1,795	1,327
Electricity and water	5,177	27,900
Employer's MPF contribution	23,001	17,475
Group medical insurance	4,621	5,633
Insurance	6,082	5,950
Postage	281	47
Printing and stationery	8,441	8,975
Professional social worker service charge	6,000	16,500
Program expenses	40,932	112,292
Rent and rates	107,220	108,030
Repairs and maintenance	4,568	2,888
Specific projects expenditures	374,371	358,149
Staff benefits	-	3,980
Staff salaries	446,795	373,322
Sundry expenses	3,036	3,127
Telephone, facsimile and internet	8,818	8,836
Travelling and transportation	8,607	1,641
	<u>1,055,327</u>	<u>1,061,977</u>
<b>DEFICIT OF FUNDS FOR THE YEAR</b>	<u>(382,152)</u>	<u>(282,276)</u>

In order to support the daily operation of the Centre, fund was transferred from the Church's Flag Day Fund during the year.

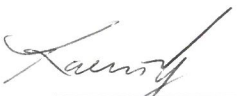
<u>151,053</u>	<u>312,860</u>
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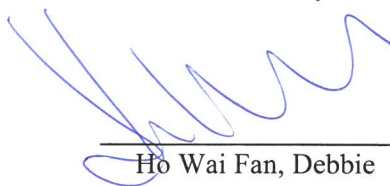
APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
 - TUNG TAU FAVOUR CENTRE  
 STATEMENT OF FINANCIAL POSITION - 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
<b>CURRENT ASSETS</b>			
Rental and utility deposits		32,200	32,200
Accounts receivable and prepayment		7,160	151,907
Cash at banks		748,800	519,631
Cash in hand		5,540	1,300
		<u>793,700</u>	<u>705,038</u>
<b>CURRENT LIABILITIES</b>			
Advance from the Church	9	1,465,330	1,267,380
Advance from Lok Fu Favour Centre	9	166,721	140,720
Accounts payable and accruals		4,590	7,711
Received in advance	10	149,429	50,498
		<u>1,786,070</u>	<u>1,466,309</u>
<b>NET LIABILITIES</b>		<u>(992,370)</u>	<u>(761,271)</u>
<b>ACCUMULATED FUNDS</b>			
Operating fund	3, 6	(992,370)	(792,600)
Specific project funds	4, 5, 6	-	31,329
		<u>(992,370)</u>	<u>(761,271)</u>

Approved by the Executive Committee on

27 OCT 2021

  
 Ng So Ling  
 Chairman

  
 Ho Wai Fan, Debbie  
 Treasurer

  
 Cheung King Ching  
 Member of the  
 Executive Committee

APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
- TUNG TAU FAVOUR CENTRE  
NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

1 ORGANISATION

Apostolic Faith Church of Hong Kong Limited - Tung Tau Favour Centre (the "Centre") is a branch set up by Apostolic Faith Church of Hong Kong Limited (the "Church") to carry out religious, educational and charitable activities and for provision of social services to the local community.

The Church is exempted from Hong Kong tax under Section 88 of the Inland Revenue Ordinance as a charitable organisation, subject to certain rules and conditions in relation to source and application of its profits and income.

Its principal place of operation of the Centre is situated at Tung Tau (II) Estate, Kowloon, Hong Kong.

2 PRINCIPAL ACCOUNTING POLICIES

The Church qualifies for the reporting exemption as a small guarantee 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.

The Centre, being a branch of the Church, has therefore prepared and presented its financial statements in accordance with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Centre is a going concern.

Going-concern basis

As of 31 March 2021, the Centre has a net liabilities of HK\$992,370. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Centre's ability to continue as a going concern.

The Church has confirmed that they would provide financial support to the Centre so as to enable it to operate as a going-concern. Furthermore, the Church would not demand repayment of any debts due by the Centre to the extent that such repayments would affect the Centre's ability to operate as a going-concern and to repay other creditors on due dates.

On strength of this assurance, the financial statements have been drawn up on a going-concern basis, notwithstanding the current liabilities and the net deficiency of funds.

The principal accounting policies adopted in preparing these financial statements are as follows:

(a) Revenue

Income is recorded when it is probable that the economic benefit will flow to the Church and the income and expenditure, if applicable, can be measured reliably. The following income is recognized in the income statement as follows:



APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
 - TUNG TAU FAVOUR CENTRE  
 NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

2 PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(a) Revenue (Cont'd)

- i. Dedication income is recognized when offering is received.
- ii. Activity income is recognized when activity is rendered.
- iii. Subvention income is recognized when income is received.
- iv. Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and at the rate applicable.

(b) 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 and long-term investments. 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.

(c) Operating Leases

Lease where all the benefits and risks of ownership of assets remain substantially with the lesser are accounted for as operating lease. Rental payable under operating lease is charged to the income statement on a straight line basis over the lease term.

3 OPERATING FUND

	2021 HK\$	2020 HK\$
Balance at beginning of year	(792,600)	(833,190)
Deficit for the year	(500,252)	(272,270)
	<u>(1,292,852)</u>	<u>(1,105,460)</u>
Transfer from Specific Project Funds	149,429	-
Transfer from Flag Day Fund	151,053	312,860
Balance at end of year	<u><u>(992,370)</u></u>	<u><u>(792,600)</u></u>

APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
 - TUNG TAU FAVOUR CENTRE  
 NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

4 SPECIFIC PROJECT FUNDS

	2021 HK\$	2020 HK\$
Balance at beginning of year	31,329	41,335
Received in advance from last year	50,498	-
Subvention received	475,771	348,143
Subvention refunded	(34,713)	-
Taken up by the centre	915	-
Expenditure	(374,371)	(358,149)
Surplus/(Deficit) for the year	118,100	(10,006)
Transfer to Operating Fund	-	-
Transfer to Received in advance	(149,429)	
Balance for the year	(31,329)	(10,006)
Balance at end of year (Note 5)	-	31,329



APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
- TUNG TAU FAVOUR CENTRE  
NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

5 DETAILS OF SPECIFIC PROJECT FUNDS

	2021 HK\$	2020 HK\$
a. School-based After School Learning and Supporting Programme 2016/17		
Balance at beginning of year	31,854	31,854
Subvention refunded	(31,854)	-
Balance at end of year	-	31,854
b. School-based After School Learning and Supporting Programme 2018/19		
Balance at beginning of year	(525)	27,893
Subvention from Education Bureau	-	29,531
Utilization for the year	-	(57,949)
Taken up by the centre	525	-
Balance at end of year	-	(525)
c. School-based After School Learning and Supporting Programme 2019/20		
Balance at beginning of year	-	-
Received in advance from last year	46,477	-
Subvention from Education Bureau	-	61,577
Utilization for the year	(38,920)	(61,577)
Transfer to Received in advance	(7,557)	-
Balance at end of year	-	-
d. School-based After School Learning and Supporting Programme 2020/21		
Balance at beginning of year	-	-
Subvention from Education Bureau	124,787	-
Utilization for the year	(11,355)	-
Transfer to Received in advance	(113,432)	-
Balance at end of year	-	-
e. Project - 新來港適應班 2018/19		
Balance at beginning of year	-	(9,263)
Subvention from Education Bureau	-	23,152
Utilization for the year	-	(13,889)
Balance at end of year	-	-
f. Project - 新來港適應班 2019/20		
Balance at beginning of year	-	-
Received in advance from last year	1,164	-
Subvention from Education Bureau	-	69,296
Utilization for the year	(624)	(69,296)
Transfer to Received in advance	(540)	-
Balance at end of year	-	-
g. Project - 老有所為 2018-2020		
Balance at beginning of year	-	(9,149)
Received in advance from last year	2,857	-
Subvention from Social Welfare Department	-	30,830
Utilization for the year	-	(21,681)
Subvention refunded	(2,859)	-
Taken up by the centre	2	-
Balance at end of year	-	-

APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
 - TUNG TAU FAVOUR CENTRE  
 NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

5 DETAILS OF SPECIFIC PROJECT FUNDS (CONT'D)

	2021 HK\$	2020 HK\$
h. Project - 老有所為 2020/21		
Balance at beginning of year	-	-
Subvention from Social Welfare Department	29,800	-
Utilization for the year	(1,900)	-
Transfer to Received in advance	(27,900)	-
Balance at end of year	-	-
i. Project - 黃大仙區議會旅行		
Balance at beginning of year	-	-
Programme income	-	46,805
Utilization for the year	-	(46,805)
Balance at end of year	-	-
j. Project - 非凡活力・展 - 『捉』動脈博		
Subvention from Wong Tai Sin District Youth Programme Executive Committee	-	-
Programme income	-	86,953
Utilization for the year	-	(86,953)
Balance at end of year	-	-
k. Project : 有心人請食飯 2020/21		
Subvention from Project Happiness Charity Limited	70,000	-
Utilization for the year	(70,000)	-
Balance at end of year	-	-
l. Project : 社聯-賦勵慈善基金 2020/21		
Subvention from Hong Kong Council of Social Service	100,000	-
Utilization for the year	(100,000)	-
Balance at end of year	-	-
m. Project : 社聯-香港交易所慈善基金 2020/21		
Subvention from Hong Kong Council of Social Service	100,000	-
Utilization for the year	(100,004)	-
Taken up by the centre	4	-
Balance at end of year	-	-
n. Project : 非凡活力・展 - 跳躍青年同行號		
Subvention from Wong Tai Sin District Youth Programme Executive Committee	51,184	-
Utilization for the year	(51,568)	-
Taken up by the centre	384	-
Balance at end of year	-	-
Balance c/f	-	31,329

APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
 - TUNG TAU FAVOUR CENTRE  
 NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

6 CHANGE IN EQUITY

The changes in equity of the Centre during the year are represented by the following changes in Funds:

	Operating Fund	Specific Project Funds	Total
	HK\$	HK\$	HK\$
Balance at 1 April 2019	(833,190)	41,335	(791,855)
Deficit for the year	(272,270)	(10,006)	(282,276)
Transfer of funds	<u>312,860</u>	<u>-</u>	<u>312,860</u>
Balance at 1 April 2020	(792,600)	31,329	(761,271)
Deficit/(Surplus) for the year	(500,252)	118,100	(382,152)
Transfer from Specific Project Funds	149,429	(149,429)	-
Transfer from Flag Day Fund	<u>151,053</u>	<u>-</u>	<u>151,053</u>
Balance at 31 March 2021	<u>(992,370)</u>	<u>-</u>	<u>(992,370)</u>

7 REMUNERATION OF EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members of the Centre did not receive remunerations for services rendered during the year.

8 COMMITMENT UNDER OPERATING LEASES

The Centre had the following minimum lease commitments, payable under non-cancellable operating leases on land and building:

	2021 HK\$	2020 HK\$
Not later than one year	96,996	96,996
Later than one year	<u>-</u>	<u>96,996</u>
	<u>96,996</u>	<u>193,992</u>

9 ADVANCE FROM THE CHURCH/LOK FU FAVOUR CENTRE

Both of the Centre and Lok Fu Favour Centre are branches set up by the Church.

APOSTOLIC FAITH CHURCH OF HONG KONG LIMITED  
 - TUNG TAU FAVOUR CENTRE  
 NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2021

10 RECEIVED IN ADVANCE

	2021 HK\$	2020 HK\$
Project - 老有所為 2018-2020	-	2,857
Project - 老有所為 2020/21	27,900	-
Project - 新來港適應班 2019/20	540	1,164
School-based After School Learning and Supporting Programme 2019/20	-	46,477
School-based After School Learning and Supporting Programme Apr 2020 - Jul 2020	7,557	-
School-based After School Learning and Supporting Programme 2020/21	113,432	-
	<u>149,429</u>	<u>50,498</u>

11 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year presentations.