



*Assembly of God Chapel of Praise Limited*  
*神召會頌恩堂有限公司*  
*(Limited by Guarantee)*

*Executive Committee Members' Report*  
*Audited Financial Statements*

*For the year ended 31 December 2019*

**D.C. (CPA) & Associates**

*Certified Public Accountants (Practising)*

Hong Kong

**Assembly of God Chapel of Praise Limited**  
**神召會頌恩堂有限公司**  
**(Limited by Guarantee)**

For the year ended 31 December 2019

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**Assembly of God Chapel of Praise Limited**  
**神召會頌恩堂有限公司**  
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**Executive Committee Members' Report**

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The executive committee members have pleasure in submitting their annual report and the audited financial statements for the year ended 31 December 2019.

**Principal place of business**

Assembly of God Chapel of Praise Limited ('the Church') is a company incorporated and domiciled in Hong Kong and principal place of business is located at G/F., Shop 2-4, Kentwood Place, 21 Shan Shing Avenue, Sheung Shui, N.T., Hong Kong.

**Principal activities**

The principal activities of the Church are to propagate the Gospel and to promote the faith of Christianity.

**Business review**

In accordance with section 388(3)(a) of the Hong Kong Companies Ordinance (Cap. 622), the Church falls within the reporting exemption for the financial year and therefore it is exempted from preparing a business review.

**Results and dividends**

The results of the Church for the year ended 31 December 2019 are set out in the income and expenditure account on page 6.

**Donations**

Donations made for charitable or other purposes amounted to HK\$22,000 (2018: same).

**Accumulated funds**

Movements in accumulated funds of the Church during the year are set out in the statement of financial position on page 7.

**Executive Committee Members**

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

CHENG Kwong Cho	(appointed on 13 January 2019)
CHEUNG Chung Yee	(resigned on 12 January 2020)
LI Yee Lin	(appointed on 14 January 2018)
LAU Wai Yip	
MAN Wang Kit	
MO Chan Ho, Simon	
PANG Wai Man Pandy Raphael	
SHEK Ka Kin	(appointed on 14 January 2018)
WONG Wai Fun	
CHUNG Ho Lun, Andrew	(resigned on 13 January 2019)
LAM Kam Tim	(resigned on 13 January 2019)

There being no provision in the Church's Articles of Association, all committee members shall continue in office.

**Assembly of God Chapel of Praise Limited**

神召會頌恩堂有限公司

(Limited by Guarantee)

**Executive Committee Members' Report**

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**Executive Committee Members' interests**

No contracts of significance to which the Church, was a party and in which a committee members 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.

**Management contracts**

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

**Permitted indemnity provisions**

At no time during the year and up to the date of this committee members' report, there was or is, any permitted indemnity provision being in force for the benefit of any of the committee members of the Church.

**Auditors**

A resolution will be submitted to the annual general meeting to re-appoint Messrs. D.C. (CPA) & Associates, Certified Public Accountants (Practising), as auditor of the Church.

On behalf of the Board



MAN Wang Kit

Chairman

Hong Kong, - 2 OCT 2020



## **Independent Auditor's Report**

To the members of  
**Assembly of God Chapel of Praise Limited**  
神召會頌恩堂有限公司  
(incorporated in Hong Kong with limited by guarantee)

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Assembly of God Chapel of Praise Limited ("the Church") set out on pages 6 to 13 which comprise the statement of financial position as at 31 December 2019 and income and expenditure account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Church as at 31 December 2018 and of its financial performance for the year then ended 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 Auditor's 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 these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the Financial Statements and Auditor's Report Thereon**

The committee members are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's 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.



## **Independent Auditor's Report**

To the members of  
**Assembly of God Chapel of Praise Limited**  
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### **Responsibilities of the Committee Members for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 HKSAAs 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 HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, where 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.



**D.C. (CPA) & Associates**

Certified Public Accountants (Practising)

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E-Mail: dc.info@michaelchancpa.com

## **Independent Auditor's Report**

To the members of

**Assembly of God Chapel of Praise Limited**

神召會頌恩堂有限公司

(incorporated in Hong Kong with limited by guarantee)

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

- Conclude on the appropriateness of the 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 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 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.
- Obtain sufficient appropriate audit evidence regarding to the financial information of the entities or business activities within the Church to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Church audit. We remain solely responsible for our audit opinion.

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.

D.C. (CPA) & Associates  
Certified Public Accountants (Practising)  
Hong Kong, - 2 OCT 2020

CHAN Yui Hang  
Practising Certificate Number: P05134

**Assembly of God Chapel of Praise Limited**  
**神召會頌恩堂有限公司**  
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**Income and Expenditure Account**  
For the year ended 31 December 2019

	2019 HK\$	2018 HK\$
<b>Income</b>		
Offering received	3,932,706	3,744,579
Activities income	24,500	82,520
Bank interest received	414	15
	<u>3,957,620</u>	<u>3,827,114</u>
<b>Less:</b>		
<b>Expenditure</b>		
Activities and gifts	(1,203)	(7,997)
Activities expenses	(167,024)	(96,371)
Auditor's remuneration	(5,300)	(5,300)
Accounting fee	(12,000)	(12,000)
Bank charges	(3,890)	(5,640)
Books and publications	(6,266)	(10,128)
Cleaning	(7,656)	(17,215)
Depreciation	(9,428)	(90,546)
Donations paid	(22,000)	(22,000)
Entertainment	(23,105)	(224,847)
Insurance	(59,040)	(49,407)
Maintenance	(25,206)	(13,446)
Management fee	(65,714)	(63,852)
Mandatory provident fund	(132,613)	(148,514)
Postage	(2,577)	(2,324)
Printing and stationery	(30,363)	(27,756)
Rates	(26,796)	(24,882)
Rental charges	(300,000)	(281,000)
Salaries and benefits	(2,494,181)	(2,666,476)
Speaker's remuneration	(7,400)	(452)
Sundry expenses	(172,568)	(107,599)
Secretarial fee	-	(2,955)
Staff welfare	(174,707)	(40,316)
Training subsidy	(52,090)	(64,339)
Transportation	(2,658)	(3,072)
Water, electricity and telephone	(72,769)	(71,161)
	<u>(3,876,554)</u>	<u>(4,699,183)</u>
<b>Surplus / (Deficit) for the year</b>	<u><u>81,066</u></u>	<u><u>(724,365)</u></u>

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



**Assembly of God Chapel of Praise Limited**  
**神召會頌恩堂有限公司**  
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**Statement of Financial Position**

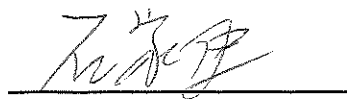
As at 31 December 2019

	<i>Note</i>	<i>2019</i> <i>HK\$</i>	<i>2018</i> <i>HK\$</i>
<b>Non-current asset</b>			
Property, plant and equipment	3	<u>5,152,019</u>	<u>5,286,247</u>
<b>Current assets</b>			
Rental and utility deposits		68,727	68,727
Cash and bank balances	4	<u>1,501,136</u>	<u>992,855</u>
		<u>1,569,863</u>	<u>1,061,582</u>
<b>Less: Current liabilities</b>			
Accrued charges		<u>(50,544)</u>	<u>(86,891)</u>
		<u>(50,544)</u>	<u>(86,891)</u>
Net current assets		<u>1,519,319</u>	<u>974,691</u>
<b>Net assets</b>		<u><u>6,671,338</u></u>	<u><u>6,260,938</u></u>
Represented by:			
<b>General fund</b>	5	3,566,561	3,485,495
<b>Chapel building fund</b>	6	(710,840)	(550,840)
<b>Preaching fund</b>	7	(434,035)	(338,035)
<b>Sha Tin Branch</b>	8	<u>4,249,652</u>	<u>3,664,318</u>
		<u><u>6,671,338</u></u>	<u><u>6,260,938</u></u>

Approved on behalf of the Board by:



MAN Wang Kit  
Chairman



SHEK Ka Kin  
Treasurer

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

**Assembly of God Chapel of Praise Limited**  
**神召會頌恩堂有限公司**  
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**Accounting Policies and Explanatory Notes to the Financial Statements**  
For the year ended 31 December 2019

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**1 Significant accounting policies**

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term 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 the significant accounting policies adopted by the Church is set out below.

(b) Basis of measurement

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

(c) Taxation

The Church is an approved charitable institution exempted from Hong Kong Profits Tax under section 88 of the Inland Revenue Ordinance.

(d) 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:

Land held on long term lease	Nil
Buildings	over the estimated useful life of 25 years
Leasehold improvements	20%
Furniture and fixtures	20%
Equipment	20%

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**Accounting Policies and Explanatory Notes to the Financial Statements**  
For the year ended 31 December 2019

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**1 Significant accounting policies (continued)**

(e) Impairment of assets

An assessment is made at the end of each reporting period date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets 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 and expenditure account. 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.

(f) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

(g) Employee benefits

Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Church of non-monetary 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 value.

Contributions to Mandatory Provident Funds are required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income and expenditure account as incurred.

Assembly of God Chapel of Praise Limited  
 神召會頌恩堂有限公司  
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Accounting Policies and Explanatory Notes to the Financial Statements  
 For the year ended 31 December 2019

2 Property, plant and equipment

	<i>Land held on long term lease HK\$</i>	<i>Buildings HK\$</i>	<i>Leasehold improvements HK\$</i>	<i>Furniture and fixtures HK\$</i>	<i>Equipment HK\$</i>	<i>Total HK\$</i>
Costs:						
At 1 January 2019	4,000,000	4,000,000	2,749,596	716,922	1,721,976	13,188,494
Addition	-	-	-	5,200	30,000	35,200
<b>and at 31 December 2019</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>2,749,596</b>	<b>722,122</b>	<b>1,751,976</b>	<b>13,223,694</b>
Accumulated depreciation and impairment losses:						
At 1 January 2019	-	(2,720,000)	(2,749,596)	(714,874)	(1,717,777)	(7,902,247)
Depreciation for the year	-	(160,000)	-	(1,955)	(7,473)	(169,428)
<b>At 31 December 2019</b>	<b>-</b>	<b>(2,880,000)</b>	<b>(2,749,596)</b>	<b>(716,829)</b>	<b>(1,725,250)</b>	<b>(8,071,675)</b>
Net carrying amounts:						
<b>At 31 December 2019</b>	<b>4,000,000</b>	<b>1,120,000</b>	<b>-</b>	<b>5,293</b>	<b>26,726</b>	<b>5,152,019</b>
At 31 December 2018	4,000,000	1,280,000	-	2,048	4,199	5,286,247
Depreciation allocated to :-						
					<i>2019 HK\$</i>	<i>2018 HK\$</i>
Chapel Building Fund					160,000	160,000
General Fund					9,428	90,546
					<b>169,428</b>	<b>250,546</b>

**Assembly of God Chapel of Praise Limited**  
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**Accounting Policies and Explanatory Notes to the Financial Statements**

For the year ended 31 December 2019

**3 Cash and bank balances**

	<i>2019</i>	<i>2018</i>
	<i>HK\$</i>	<i>HK\$</i>
Bank current account	1,253,620	728,466
Bank savings account	239,111	255,984
Petty cash	8,405	8,405
	<u>1,501,136</u>	<u>992,855</u>

**4 General fund**

	<i>2019</i>	<i>2018</i>
	<i>HK\$</i>	<i>HK\$</i>
At beginning of year	3,485,495	3,717,976
Surplus / (Deficit) for the year	81,066	(232,481)
At the end of reporting period	<u>3,566,561</u>	<u>3,485,495</u>

**5 Chapel building fund**

	<i>2019</i>	<i>2018</i>
	<i>HK\$</i>	<i>HK\$</i>
At beginning of year	<u>(550,840)</u>	<u>(413,705)</u>
Add: Donations received for the year	-	22,600
Activities income	-	240
Bank interest received	-	25
	<u>-</u>	<u>22,865</u>
Less: Depreciation on building	(160,000)	(160,000)
Bank mortgage loan interest	-	-
	<u>(160,000)</u>	<u>(160,000)</u>
Deficit for the year	<u>(160,000)</u>	<u>(137,135)</u>
At the end of reporting period	<u>(710,840)</u>	<u>(550,840)</u>

**Assembly of God Chapel of Praise Limited**  
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**Accounting Policies and Explanatory Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**6 Preaching fund**

	<i>2019</i> <i>HK\$</i>	<i>2018</i> <i>HK\$</i>
At beginning of year	<u>(338,035)</u>	<u>(240,035)</u>
Add: Preaching donations received	-	-
Bank interest received	-	-
	<u>-</u>	<u>-</u>
Less: Preaching expenses	<u>(96,000)</u>	<u>(98,000)</u>
Deficit for the year	<u>(96,000)</u>	<u>(98,000)</u>
At the end of reporting period	<u><u>(434,035)</u></u>	<u><u>(338,035)</u></u>

**7 Sha Tin Branch**

	<i>2019</i> <i>HK\$</i>	<i>2018</i> <i>HK\$</i>
At beginning of year	<u>3,664,318</u>	<u>3,278,697</u>
Add: Donations received for the year	1,153,863	1,044,384
Activities income	24,153	2,714
	<u>1,178,016</u>	<u>1,047,098</u>
Less: Sha Tin's general expenses	<u>(592,442)</u>	<u>(661,237)</u>
Bank charge	(240)	(240)
	<u>(592,682)</u>	<u>(661,477)</u>
Surplus for the year	<u>585,334</u>	<u>385,621</u>
At the end of reporting period	<u><u>4,249,652</u></u>	<u><u>3,664,318</u></u>

**Assembly of God Chapel of Praise Limited**  
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**Accounting Policies and Explanatory Notes to the Financial Statements**  
For the year ended 31 December 2019

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**8 Approval of financial statements**

These financial statements were authorised for issue by the Church's Board of Executive Committee Members on **- 2 OCT 2020**