

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

DRAFT

**D.V.** CPA Limited  
• 上策會計師有限公司

**Certified Public Accountants**

Address 地址: Unit B, 9/F., Chinaweal Centre, 422 Jaffe Road, Wanchai, HK 香港謝斐道 422 號中望中心 9 樓 B 室

Tel 電話: 2375-1801

Email 電郵: tommyleung@dvcpa.com.hk

Fax 傳真: 2375-1802

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**REPORTS AND FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

---

<u>CONTENTS</u>	<u>PAGE(S)</u>
REPORT OF THE DIRECTORS	1 - 2
INDEPENDENT AUDITOR'S REPORT	3 - 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN RESERVES	8
STATEMENT OF CASH FLOWS	9
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS	10 - 17

## **THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

### **REPORT OF THE DIRECTORS**

---

The directors presented their annual report and the audited financial statements of The Faith Church Limited (“the Church”) for the year ended 31 March 2021.

#### **Principal Activities**

The Church’s principal activities have not been changed during the year and consisted primarily of preaching the Gospel, nurturing the spiritual lives of the believers, worshipping together and building up the Church so as to fulfill Christ’s mission.

#### **Business Review**

The Church falls within the reporting exemption for the financial year. Accordingly, the Church is exempted from preparing a business review.

#### **Results**

The results of the Church for the year ended 31 March 2021 and the state of the Church’s affairs at that date are set out in the annexed financial statements.

#### **Property, Plant and Equipment**

Movements in property, plant and equipment during the year are set out in note 4 to the financial statements.

#### **Directors**

The directors of the Church during the year and up to the date of this report were:

FANN Sin Ngo  
HO Wai Shing  
WONG Ka Fai  
WONG Luen Hing  
WONG Siu Chun

The term of each elected director shall be 2 years and all the directors for the time being, shall retire from office. A retiring director shall be eligible for re-election.

#### **Directors’ Interest in Contracts**

Save as the transactions disclosed in Note 9 to the financial statements for which the directors have beneficial interests, no other contracts of significance in relation to the Church’s business to which the Church was a party and in which any directors 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.

#### **Arrangements to Acquire Shares or Debentures**

At no time during the year was the Church a party to any arrangement to enable the directors of the Church to acquire benefits by means of the acquisition of shares in or debentures of the Church or its associated corporations.

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**REPORT OF THE DIRECTORS – continued**

---

**Equity-linked Agreements**

No equity-linked agreements were entered into during the year.

**Indemnity of Directors**

No permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Church has in force in the Church.

**Auditor**

A resolution will be submitted to the annual general meeting of the Church to re-appoint D.V. CPA Limited.

**Approval of Report of the Directors**

This report was approved by the Directors on [Date].

For and on behalf of the Board

---

Wong Ka Fai  
Director

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

---

#### **Opinion**

We have audited the initial financial statements of The Faith Church Limited ("the Church") set out on pages 6 to 17, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in reserves, and statement of cash flows for the year ended 31 March 2021, 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 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAs") 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 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 directors are responsible for the other information. The other information comprises the information does not include 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** (continued from page 3)

**TO THE MEMBERS OF  
THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company 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 that give a true and fair view in accordance with HKFRS for Private Entities 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 directors 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 directors 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 auditor's 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 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 initial 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITOR'S REPORT** (continued from page 4)

**TO THE MEMBERS OF  
THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

---

**Auditor's Responsibilities for the Audit of the Financial Statements – continued**

- Conclude on the appropriateness of the directors' 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.

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.

The engagement partner on the audit resulting in this independent auditor's report is Leung Yuk Hang (practising certificate number: P06848).

D.V. CPA Limited  
Certified Public Accountants  
Unit B, 9/F., Chinaweal Centre  
422 Jaffe Road, Wanchai  
Hong Kong

Date: 29 September 2021

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2021**

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	5	8,111,220	8,423,190
		<hr/>	<hr/>
<b>Current Assets</b>			
Utility deposits		163,718	163,718
Prepayments		72,094	72,094
Other receivable		-	3,719
Bank balances and cash		6,277,910	5,828,444
		<hr/>	<hr/>
		6,513,722	6,067,975
		<hr/>	<hr/>
<b>Current Liabilities</b>			
Other payable and accrual		6,800	6,600
Bank loan due within one year	6	310,967	297,040
		<hr/>	<hr/>
		317,767	303,640
		<hr/>	<hr/>
<b>Net Current Assets</b>		6,195,955	5,764,335
		<hr/>	<hr/>
<b>Non-Current Liabilities</b>			
Bank loan due after one year	6	945,198	1,263,717
		<hr/>	<hr/>
<b>Net Assets</b>		13,361,977	12,923,808
		<hr/>	<hr/>
		<hr/>	<hr/>
<b>Reserves</b>			
General fund		3,950,667	3,911,850
Missionary fund		4,049	(57,726)
Charitable fund		108,319	105,457
Development fund		9,298,942	8,964,227
		<hr/>	<hr/>
		13,361,977	12,923,808
		<hr/>	<hr/>

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

Approve on behalf of the Board by:

---

Wong Ka Fai  
Director

---

Ho Wai Shing  
Director



**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 March 2021**

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<b>Income</b>			
Donation income		3,720,252	4,077,741
Bank interest income		114,606	72,740
Sundry income		135,463	-
		<u>3,970,321</u>	<u>4,150,481</u>
<b>Less: Expenditure</b>			
Pastor and executive expenses	7	1,326,033	1,276,306
Ministry expenses	8	709,490	846,726
Administrative expenses	9	1,895,981	2,044,846
		<u>3,931,504</u>	<u>4,167,878</u>
<b>Surplus/ (Deficit) and Total Comprehensive Income for the Year</b>		<u>38,817</u>	<u>(17,397)</u>

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

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**STATEMENT OF CHANGES IN RESERVES****for the year ended 31 March 2021**

(Expressed in Hong Kong Dollars)

	<u>General fund</u>	<u>Missionary fund</u>	<u>Charitable fund</u>	<u>Development fund</u>	<u>Total</u>
Balance as 1 April 2020	3,911,850	(57,726)	105,457	8,964,227	12,923,808
Surplus for the year	38,817	61,775	2,862	334,715	438,169
Balance as 31 March 2021	<u>3,950,667</u>	<u>4,049</u>	<u>108,319</u>	<u>9,298,942</u>	<u>13,361,977</u>
Balance as 1 April 2019	3,929,247	48,217	85,887	8,628,732	12,692,083
(Deficit)/ Surplus for the year	(17,397)	(105,943)	19,570	335,495	231,725
Balance as 31 March 2020	<u>3,911,850</u>	<u>(57,726)</u>	<u>105,457</u>	<u>8,964,227</u>	<u>12,923,808</u>

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

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**STATEMENT OF CASH FLOWS  
for the year ended 31 March 2021**

(Expressed in Hong Kong Dollars)

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Surplus/ (Deficit) for the year	38,817	(17,397)
<b>Adjustments for:</b>		
Depreciation	311,970	311,970
Interest income	(114,606)	(72,740)
<b>Net Surplus before Changes in Working Capital</b>	<u>236,181</u>	<u>221,833</u>
Decrease/ (Increase) in other receivables	3,719	(3,719)
Increase in prepayments	-	(6,699)
Increase in utility deposits	-	(13,398)
Increase in accruals	200	-
<b>Cash generated from Operations</b>	<u>240,100</u>	<u>198,017</u>
Income tax paid	-	-
<b>Net Cash Generated from Operating Activities</b>	<u>240,100</u>	<u>198,017</u>
<b>Cash Flows from Financing Activities</b>		
Bank interest received	114,606	72,740
Repayment of bank loans	(304,592)	(297,348)
Increase/ (Decrease) in Missionary Fund	61,775	(105,943)
Increase in Charitable Fund	2,862	19,570
Increase in Development Fund	334,715	335,495
<b>Net Cash Generated from Financing Activities</b>	<u>209,366</u>	<u>24,514</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>449,466</u>	<u>222,531</u>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<u>5,828,444</u>	<u>5,605,913</u>
<b>Cash and Cash Equivalents at the End of the Year</b>	<u><u>6,277,910</u></u>	<u><u>5,828,444</u></u>
<b>Analysis of the Balance of Cash and Cash Equivalents</b>		
Bank balances	6,274,910	1,325,444
Time deposit	-	4,500,000
Petty cash	3,000	3,000
	<u><u>6,277,910</u></u>	<u><u>5,828,444</u></u>

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

## THE FAITH CHURCH LIMITED

(Incorporated in Hong Kong as a company limited by guarantee)

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

---

(Expressed in Hong Kong Dollars)

#### 1. General

The Church was incorporated under the Hong Kong Companies Ordinance on 27 April, 1984 as a company limited by guarantee and not having a share capital. The liability of each member is limited to the extent of HK\$100. The address of its registered office and principal place of business is at Basement, Ka Bo Mansion, 67-77 Ha Heung Road, To Kwa Wan, Kowloon during the year.

The principal activities of the Church are to preaching the Gospel, nurturing the spiritual lives of the believers, worshipping together and building up the Church so as to fulfill Christ's mission.

The financial statements are presented in Hong Kong dollars, which is the functional currency of the Church.

#### 2. Statement of Compliance

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and have been prepared on the accrual basis of accounting.

The financial statements have been prepared on a going concern and accrual basis.

#### 3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance. They have been prepared using the historical cost convention, except for the basic financial instruments that have been measured at fair-value.

##### a. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. 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. The following annual rate is used for the depreciation of property, plant and equipment:

Land and buildings	2.5%
Furniture and fixtures	25%
Leasehold improvement	25%

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

##### b. Basic financial instruments

The basic financial instruments are recognised and derecognised on the trade date when the Church commits itself to purchase or sell an asset and are initially recognised at fair value and the fair value is re-measured at each year end date. Gain or loss on the fair value changes are recognised in profit and loss.

## THE FAITH CHURCH LIMITED

(Incorporated in Hong Kong as a company limited by guarantee)

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

---

(Expressed in Hong Kong Dollars)

#### 3. Summary of Significant Accounting Policies – continued

c. Held-to-maturity investments

The Church classifies non-derivative financial assets with fixed or determinable payments and fixed maturity which the Church has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Church evaluates its intention and ability to hold such investments till maturity.

If the Church fails to hold these investments to maturity other than in certain specific circumstances, the Church will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale. This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

d. Impairment of assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in surplus or loss.

e. Other receivables

Other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts.

f. 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.

g. Other payables

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

## THE FAITH CHURCH LIMITED

(Incorporated in Hong Kong as a company limited by guarantee)

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

---

(Expressed in Hong Kong Dollars)

#### 3. Summary of Significant Accounting Policies – continued

##### h. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Church. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Church at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

##### i. Revenue recognition

Offering is recognised as income upon the actual receipt of money.

Interest income is recognised using the effective interest method.

##### j. Employee benefits

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

The Church operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF scheme. The Church’s contributions are made to the MPF Scheme based on a percentage of the employees’ relevant income are charged to surplus or loss as the Church become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Church in an independently administrated trust fund. The Church’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

## THE FAITH CHURCH LIMITED

(Incorporated in Hong Kong as a company limited by guarantee)

### ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

---

(Expressed in Hong Kong Dollars)

#### 3. Summary of Significant Accounting Policies – continued

##### k. Related parties

For the purpose of these financial statements, 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 the Church if that person:
  - (i) is a member of the key management personnel of the Church or of a parent of the Church;
  - (ii) has control over the Church; or
  - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (b) An entity is related to the Church if any of the following conditions applies:
  - (i) the entity and the Church are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of a third entity.
  - (iv) either 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 the Church or an entity related to the Church. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(i) has significant voting power in 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.

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

(Expressed in Hong Kong Dollars)

**4. Property, Plant and Equipment**

	<u>Land and buildings</u>
<u>Cost</u>	
As at 1 April 2020	12,478,800
Addition	-
As at 31 March 2021	<u>12,478,800</u>
Accumulated depreciation	
As at 1 April 2020	4,055,610
Charge for the year	311,970
As at 31 March 2021	<u>4,367,580</u>
Carrying amount	
As at 31 March 2021	<u><u>8,111,220</u></u>
 <u>Cost</u>	
As at 1 April 2019	12,478,800
Addition	-
As at 31 March 2020	<u>12,478,800</u>
Accumulated depreciation	
As at 1 April 2019	3,743,640
Charge for the year	311,970
As at 31 March 2020	<u>4,055,610</u>
Carrying amount	
As at 31 March 2020	<u><u>8,423,190</u></u>



**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

(Expressed in Hong Kong Dollars)

**5. Bank Loans**

	<u>2021</u>	<u>2020</u>
Mortgage loans	1,256,165	1,560,757
Less: amount due within one year	310,970	297,040
Amount due after one year	<u>945,195</u>	<u>1,263,717</u>

The bank loans are pledged by a floating lien over land and buildings owned by the Church with a carrying amount of HK\$8,111,220 as at 31 March 2021 (2020: HK\$8,423,190).

The bank loan is fully settled by the Church on 16 July 2021.

**6. Pastor and Executive Expenses**

An analysis of the Church's pastor and executive expenses is as follows:

	<u>2021</u>	<u>2020</u>
Salaries and allowances	1,035,256	1,097,215
Mandatory provident fund contributions	124,222	134,886
Pastors' allowance	89,520	22,800
Executives' welfare	77,035	21,405
	<u>1,326,033</u>	<u>1,276,306</u>

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

(Expressed in Hong Kong Dollars)

**7. Ministry Expenses**

An analysis of the Church's ministry expenses is as follows:

	<u>2021</u>	<u>2020</u>
Camp expenses	-	74,541
Counsellors' wages	73,500	148,000
Children ministry	-	9,671
Devotion	31,500	39,500
Donations	504,000	375,300
Fellowship subsidies	3,300	1,500
Functional activity	7,013	112,854
Gifts	8,234	6,662
Study subsidies	40,643	46,598
Honorarium	41,300	32,100
	<u>709,490</u>	<u>846,726</u>

**8. Administrative Expenses**

An analysis of the Church's administrative expenses is as follows:

	<u>2021</u>	<u>2020</u>
Acquisition of assets	19,366	51,907
Auditor's remuneration	6,200	6,000
Bank charges	1,225	1,350
Books and magazines	739	4,795
Government rent	22,392	22,392
Insurances	33,730	41,369
Postage	2,024	1,087
Printing and stationery	30,924	37,952
Rental expenses	1,525,128	1,573,839
Repair and maintenance	118,048	116,294
Sundry expenses	92,369	105,374
Telephone charges	18,066	15,185
Travelling expenses	3,173	9,968
Water and electricity	18,878	57,334
Other expenses	3,719	-
	<u>1,895,981</u>	<u>2,044,846</u>

**THE FAITH CHURCH LIMITED**

(Incorporated in Hong Kong as a company limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

(Expressed in Hong Kong Dollars)

---

**9. Directors' Remuneration**

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

	<u>2021</u>	<u>2020</u>
Directors' fee	-	-
Other emoluments	-	-
Contributions to defined contribution plan	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**10. Lease Commitments**

At the reporting date, the Church had outstanding commitments under non-cancellable operating leases in respect of rented premises. Total commitments to be payable are as follows:

	<u>2021</u>	<u>2020</u>
Within one year	793,034	865,128
In the second to fifth years inclusive	-	793,034
	<u>793,034</u>	<u>1,658,162</u>
	<u>793,034</u>	<u>1,658,162</u>

**11. Taxation**

No provision for Hong Kong Profits Tax has been made in the financial statements, as the Church is a charitable institution under section 88 of the Inland Revenue Ordinance (Chapter 112) and is therefore exempted from taxes levied under this Ordinance.

**12. Approval of the Financial Statements**

These financial statements have been approved and authorised to issue by the board of directors on 29 September 2021.

---