

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2020**



## CONTENTS

	<u>PAGE</u>
Report of the Executive Committee Members	1 - 2
Independent Auditor's Report	3 - 6
Income Statement	7 - 8
Statement of Financial Position	9
Statement of Changes in Funds	10
Notes to the Financial Statements	11 - 17

(EXPRESSED IN THE NEAREST HONG KONG DOLLARS)

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**REPORT OF THE EXECUTIVE COMMITTEE MEMBERS**

**FOR THE YEAR ENDED MARCH 31, 2020**

The executive committee members submit their annual report together with the audited financial statements for the year ended March 31, 2020.

**PRINCIPAL ACTIVITY**

The principal activity of The Industrial Evangelistic Fellowship Limited (“the fellowship”) is spreading of the teaching of Christian faith in Hong Kong among workers engaged in industrial undertakings.

**EXECUTIVE COMMITTEE MEMBERS**

Executive committee members during the year and up to the date of this report were:

Mr. Au Sing Wah  
Mr. Au Siu Kin, Stephen  
Mr. Bernard Yuen  
Mr. Chan Yu Kow  
Mr. Chen Yuk Lun, Ronald  
Ms. Fung Ngan Ying, Monica  
Mr. Herman Lo  
Ms. Ho Yin Fong, Julian  
Mr. Law Wai Kwan  
Mr. Lee Shung Kin  
Mr. Wong Man Cheung

In accordance with the Articles of Association, all of the present executive committee members remain in office in the forthcoming year.

**BUSINESS REVIEW**

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

**DONATIONS**

Donations made by the fellowship during the year amounted to \$40,000.

...../To be continued

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**REPORT OF THE EXECUTIVE COMMITTEE MEMBERS**

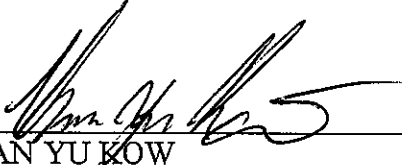
**FOR THE YEAR ENDED MARCH 31, 2020**

...../Continued

**AUDITORS**

Philip Poon & Partners CPA Limited are the fellowship's retiring auditors who, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
CHAN YU KOW  
CHAIRMAN

Hong Kong  
November 11, 2020



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**  
**(LIMITED BY GUARANTEE)**  
**(Incorporated in Hong Kong and limited by guarantee)**

**Opinion**

We have audited the financial statements of The Industrial Evangelistic Fellowship Limited (“the Fellowship”) set out on pages 7 to 17, which comprise the statement of financial position as at March 31, 2020, and the income statement and statement of changes in funds, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Fellowship are prepared, in all material respects, in accordance with the 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 Practice Note 900 (Revised) “Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard” issued by the HKICPA. 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 Company 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 executive committee members are responsible for the other information. The other information comprises the information included in the executive committee members’ report and financial statements, but 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.

...../To be continued



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**  
**(LIMITED BY GUARANTEE)**  
**(Incorporated in Hong Kong and limited by guarantee)**

...../Continued

**Other Information (continued)**

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.

**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 Fellowship'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 Fellowship or to cease operations, or have no realistic alternative but to do so.

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

...../To be continued



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**  
**(LIMITED BY GUARANTEE)**  
**(Incorporated in Hong Kong and limited by guarantee)**

...../Continued

**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. This report is made solely to you, as a body, in accordance with section 405 of the 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 this 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 Fellowship's internal control.

...../To be continued



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**  
**(LIMITED BY GUARANTEE)**

**(Incorporated in Hong Kong and limited by guarantee)**

...../Continued

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

- 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 Fellowship'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 Fellowship 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 control that we identify during our audit.

Philip Poon & Partners CPA Limited  
Mr. Poon Chin Chung, Philip  
Practising Certificate No.: P01748

Certified Public Accountants  
Hong Kong  
November 11, 2020



**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**INCOME STATEMENT**

**FOR THE YEAR ENDED MARCH 31, 2020**

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
		<u>\$</u>	<u>\$</u>
INCOME			
Activities income		608,428	1,667,198
Bank interest received		8,497	4,253
Collection on flag day sales	7	1,014,840	--
Collection on walkathon		--	196,414
District Support Scheme for Children and Youth			
Development		76,000	72,000
Donations		16,395,181	5,214,455
Donations from Nethersole Fund		800,000	800,000
Donations from 攜手扶弱基金 - 福愛傳洪新動力		--	395,787
Donations from 攜手扶弱基金 - 栽種愛+正能量		--	293,334
Donations from 燃亮生機行動計劃		8,070	23,700
Sale of books		8,091	1,794
Subvention from Child Development Fund		2,477,156	2,773,219
Subvention from the Employees Retraining Board		1,793,394	2,407,802
Subvention from 兒童發展基金校本計劃		473,891	616,990
Other income		28,758	42,864
Tutorial income		70,907	97,145
		<u>23,763,213</u>	<u>14,606,955</u>

...../To be continued

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**INCOME STATEMENT**

**FOR THE YEAR ENDED MARCH 31, 2020**

...../Continued

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
		<u>\$</u>	<u>\$</u>
LESS: EXPENDITURE			
Activities expenses	8	4,915,366	4,653,519
Advertising and promotion		60,650	16,818
Auditors' remuneration		16,200	16,200
Bank charges		6,637	9,873
Cleaning expenses		96,422	87,788
Donation		40,000	--
Depreciation	9	27,510	25,691
Electricity, water and telephone		206,799	210,584
Employees Retraining Board		839,739	803,653
Insurance		54,873	59,848
Medical allowance		20,978	25,141
Minor purchases		1,579	2,380
Newspaper and magazine		5,138	4,485
Postage and stamp		7,693	5,703
Printing and stationery		93,866	108,836
Provident fund contribution		529,042	519,928
Recruitment fee		7,327	12,610
Rent, rates and building management fee		1,448,216	1,404,652
Repairs and maintenance		44,784	74,130
Salaries and allowances		6,144,727	6,025,766
Sundry expenses		269,751	61,308
Travelling expenses		25,577	21,288
Tutorial expenses		22,839	46,885
 TOTAL EXPENDITURE		<u>14,885,713</u>	<u>14,197,086</u>
 SURPLUS FOR THE YEAR		<u>8,877,500</u>	<u>409,869</u>

The notes on pages 11 to 17 form part of these financial statements.


**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020**

	<u>NOTE</u>	<u>2020</u> \$	<u>2019</u> \$
NON-CURRENT ASSETS			
Plant and equipment	9	70,400	9,910
		-----	-----
CURRENT ASSETS			
Prepayments and deposits		233,427	525,006
Bank balances and cash		15,267,481	5,174,322
		-----	-----
		15,500,908	5,699,328
		-----	-----
CURRENT LIABILITIES			
Other accounts payable		18,300	18,300
Accrued expenses		105,924	88,578
Temporary receipts		3,639,153	2,908,033
Temporary receipts – 潘仁智紀念基金		68,536	68,536
Provision for other liabilities	10	1,061,020	824,916
		-----	-----
		4,892,933	3,908,363
		-----	-----
NET CURRENT ASSETS		10,607,975	1,790,965
		-----	-----
NON-CURRENT LIABILITIES			
Other loans	11	500,000	500,000
		-----	-----
NET ASSETS		10,178,375	1,300,875
		=====	=====
REPRESENTED BY			
General funds		10,178,375	1,300,875
		=====	=====

Approved and authorised for issue by the board of executive committee members on November 11, 2020

  
\_\_\_\_\_  
CHAN YU KOW  
CHAIRMAN

  
\_\_\_\_\_  
FUNG NGAN YING, MONICA  
EXECUTIVE COMMITTEE MEMBER

The notes on pages 11 to 17 form part of these financial statements.

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**STATEMENT OF CHANGES IN FUNDS**

**FOR THE YEAR ENDED MARCH 31, 2020**

	<u>General funds</u>
	<u>\$</u>
Balance at beginning of the year	1,300,875
Surplus for the year	8,877,500
	<hr/>
Balance at end of year	<u>10,178,375</u>

The notes on pages 11 to 17 form part of these financial statements.

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2020**

**1. CORPORATE INFORMATION**

The Industrial Evangelistic Fellowship Limited (“the fellowship”) is a charitable organisation registered in accordance with section 88 of the Hong Kong Inland Revenue Ordinance. The fellowship is incorporated in Hong Kong as a fellowship and limited by guarantee. The address of its registered office is 11/F., Mongkok Christian Centre, 56 Bute Street, Mongkok, Kowloon, Hong Kong.

The principal activity of the fellowship is spreading of the teaching of Christian faith in Hong Kong among workers engaged in industrial undertakings.

**2. BASIS OF PREPARATION**

(a) Statement of compliance

The fellowship qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with the Small and Medium-sized Entity Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). These financial statements have been prepared in accordance with SME-FRS.

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

(b) Basis of measurement

The measurement base used in preparing these financial statements is historical cost convention.

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2020**

**3. TRANSITION TO THE SME-FRS**

The fellowship's financial statements for the year ended March 31, 2020 are its first annual financial statements prepared under accounting policies that comply with the SME-FRS issued by the HKICPA. — The fellowship applied Hong Kong Financial Reporting Standards issued by the HKICPA to prepare its financial statements prior to the application of the SME-FRS.

The fellowship's date of transition is April 1, 2019 and the fellowship prepared its opening statement of financial position in compliance with the SME-FRS at that date.

The fellowship has applied all the mandatory exceptions and certain of the optional exemptions from full retrospective application of the SME-FRS when preparing these financial statements in accordance with the SME-FRS. There is no material impact on the financial statements.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Revenue

Revenue is recognised as income when it is probable that the economic benefits will flow to the fellowship and when the revenue can be measure reliably, on the following bases:

- (i) Donations income is recognised only when money in Hong Kong currency has been actually received by the fellowship;
- (ii) Project sponsorship income in recognition of specific expenses is recognised in surplus or deficit in the same period as the relevant expenses; and
- (iii) Interest income is recognised on a time proportion basis by reference to the principal amounts outstanding and the interest rates applicable.

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2020**

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciation amount of an item of 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:

Leasehold improvement	20%
Equipment	33%
Furniture and fixtures	20%

**(c) 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 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 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.

**(d) Operating 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 statement on a straight-line basis over the lease term.

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2020**

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(e) Accounts and other receivables

Accounts and other receivables are initially recognised at fair value and thereafter stated at estimated realisable value after each debt has been considered individually. When the payment of a debt become doubtful a provision is made and change to the income statement.

(f) Government grants

The government grants in recognition of specific expenses are recognised in surplus or deficit in the same period as the relevant expenses.

**5. TAXATION**

No provision has been made for Hong Kong Profits Tax in the financial statements as the fellowship is a charitable organisation exempted from tax under section 88 of the Hong Kong Inland Revenue Ordinance.

**6. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION**

Remuneration of the executive committee members of the fellowship disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Only the ex-officio members received remuneration. The executive committee members received no remuneration for their services to the fellowship during the year (2019: Nil).



**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2020**

**7. COLLECTION ON FLAG DAY SALES**

The executive committee members confirm that the funds raising from the flag sales held on May 18, 2019 (2019: Nil) with gross proceeds of \$1,014,840 (2019: Nil) has been fully utilised for the purposes as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Low-income and their families		
- Volunteer training program	50,742	--
- Families visit service program	101,484	--
- Outdoor recreational activities program	101,484	--
- Home maintaining service program	101,484	--
	<u>355,194</u>	<u>--</u>
Problematic gamblers and their families		
- Hotline service program	30,445	--
- Counseling service program	50,742	--
- Mutual support groups program	60,890	--
- Peer support workers training program	40,594	--
- Recreational activities and camping program	50,742	--
- Community education program	71,039	--
- Training manual	50,742	--
	<u>355,194</u>	<u>--</u>
Jobless people and their families		
- Hotline service program	30,445	--
- Job recruitment service program	81,187	--
- Counseling service for jobless people program	60,891	--
- Community education program	30,445	--
	<u>202,968</u>	<u>--</u>
New immigrants and their families		
- Volunteer training program	20,297	--
- Families visit service program	30,445	--
- Caring and counseling service program	20,297	--
- Community education program	30,445	--
	<u>101,484</u>	<u>--</u>
	<u><u>1,014,840</u></u>	<u><u>--</u></u>

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2020**

**8. ACTIVITIES EXPENSES**

The activities expenses comprise:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Activities expenses	234,079	322,535
Child Development Fund	3,292,556	2,200,419
Collection on Flag Day sales	32,337	8,625
District Support Scheme for Children and Youth Development	76,000	73,500
Expenses for walkathon	--	28,037
Nethersole Fund	800,000	800,000
同行基金	--	5,262
攜手扶弱基金 - 福愛傳洪新動力	6,503	285,977
攜手扶弱基金 - 栽種愛+正能量	--	312,174
兒童發展基金校本計劃	473,891	616,990
	<u>4,915,366</u>	<u>4,653,519</u>

**9. PLANT AND EQUIPMENT**

	<u>Leasehold improvement</u>	<u>Equipment</u>	<u>Furniture and fixtures</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Cost:</u>				
At April 1, 2019	2,836,406	808,398	604,413	4,249,217
Additions	88,000	--	--	88,000
At March 31, 2020	<u>2,924,406</u>	<u>808,398</u>	<u>604,413</u>	<u>4,337,217</u>
	-----	-----	-----	-----
<u>Accumulated depreciation and impairment losses:</u>				
At April 1, 2019	2,826,496	808,398	604,413	4,239,307
Depreciation charge for the year	27,510	--	--	27,510
At March 31, 2020	<u>2,854,006</u>	<u>808,398</u>	<u>604,413</u>	<u>4,266,817</u>
	-----	-----	-----	-----
<u>Carrying amount:</u>				
At April 1, 2019	9,910	--	--	9,910
At March 31, 2020	<u>70,400</u>	<u>--</u>	<u>--</u>	<u>70,400</u>
	-----	-----	-----	-----

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2020**

**10. PROVISIONS FOR OTHER LIABILITIES**

	<u>2020</u>	<u>2019</u>
	\$	\$
Provision for long service payment	766,203	539,815
Provision for annual leave	294,817	285,101
	<u>1,061,020</u>	<u>824,916</u>

**11. OTHER LOANS**

The other loans are unsecured and interest free. Details of the repayment terms are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Non-current portion	<u>500,000</u>	<u>500,000</u>

**12. OPERATING LEASE COMMITMENTS**

At March 31, 2020, the fellowship had commitments for future minimum lease payments in respect of land and buildings under non-cancellable operating lease which fall due as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Within 1 year	1,212,012	1,112,010
After 1 year but within 5 years	1,109,022	21,000
	<u>2,321,034</u>	<u>1,133,010</u>

**13. COMPARATIVE FIGURES**

Certain comparative figures have been adjusted or reclassified as a result of initial application of the SME-FRS. Further details are disclosed in note 3.

