

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021



CPA LIMITED

潘展聰會計師行有限公司

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(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, 2021

The executive committee members submit their annual report together with the audited financial statements for the year ended March 31, 2021.

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 people of low economic status.

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 (resigned on December 31, 2020)
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 \$153,000.

...../To be continued

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

FOR THE YEAR ENDED MARCH 31, 2021

...../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, 2021



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED
(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, 2021, 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

(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

(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 HKSAs 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 HKSAs, 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
(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, 2021

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

INCOME STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

	<u>NOTE</u>	<u>2021</u>	<u>2020</u>
		<u>\$</u>	<u>\$</u>
INCOME			
Activities income		1,156,916	608,428
Bank interest received		32,964	8,497
Collection on flag day sales	6	736,036	1,014,840
District Support Scheme for Children and Youth Development		76,000	76,000
Donations		21,149,563	16,395,181
Donations from Nethersole Fund		800,000	800,000
Donations from 燃亮生機行動計劃		1,200	8,070
Other income		230,290	28,758
Sale of books		1,599	8,091
Subsidy under Employment Support Scheme		1,539,584	--
Subvention from Child Development Fund		2,259,680	2,477,156
Subvention from the Employees Retraining Board		1,406,542	1,793,394
Subvention from 兒童發展基金校本計劃		191,874	473,891
Tutorial income		5,994	70,907
		<u>29,588,242</u>	<u>23,763,213</u>
		-----	-----

...../To be continued

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

INCOME STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

...../Continued

	<u>NOTE</u>	<u>2021</u>	<u>2020</u>
		\$	\$
LESS: EXPENDITURE			
Activities expenses	7	3,609,614	4,915,366
Advertising and promotion		10,546	60,650
Auditors' remuneration		16,700	16,200
Bank charges		5,515	6,637
Cleaning expenses		76,903	96,422
Donation		153,000	40,000
Depreciation	8	17,600	27,510
Electricity, water and telephone		147,352	206,799
Emergency assistance granted		337,000	--
Employees Retraining Board		441,202	839,739
Insurance		32,071	54,873
Medical allowance		24,670	20,978
Minor purchases		2,450	1,579
Newspaper and magazine		1,010	5,138
Postage and stamp		7,551	7,693
Printing and stationery		94,941	93,866
Provident fund contribution		548,445	529,042
Recruitment fee		4,090	7,327
Rent, rates and building management fee		1,272,015	1,448,216
Repairs and maintenance		69,994	44,784
Salaries and allowances		6,278,561	6,144,727
Sundry expenses		28,056	269,751
Travelling expenses		11,011	25,577
Tutorial expenses		16,000	22,839
TOTAL EXPENDITURE		<u>13,206,297</u>	<u>14,885,713</u>
SURPLUS FOR THE YEAR		<u>16,381,945</u>	<u>8,877,500</u>
SURPLUS FOR THE YEAR IS ATTRIBUTED TO:			
General fund		11,208,153	8,877,500
IEF Emergency Assistance fund		5,173,792	--
		<u>16,381,945</u>	<u>8,877,500</u>

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

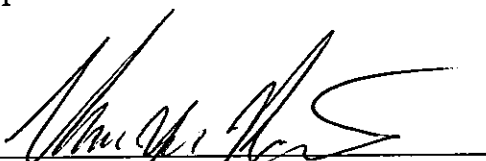
THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

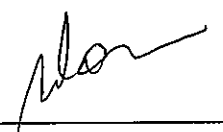
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	<u>NOTE</u>	<u>2021</u> \$	<u>2020</u> \$
NON-CURRENT ASSETS			
Plant and equipment	8	52,800	70,400
		-----	-----
CURRENT ASSETS			
Prepayments and deposits		311,712	233,427
Bank balances and cash		32,988,422	15,267,481
		-----	-----
		33,300,134	15,500,908
		-----	-----
CURRENT LIABILITIES			
Other accounts payable		18,300	18,300
Accrued expenses		97,622	105,924
Temporary receipts		5,725,405	3,639,153
Temporary receipts – 潘仁智紀念基金		68,536	68,536
Provision for other liabilities	9	882,751	1,061,020
		-----	-----
		6,792,614	4,892,933
		-----	-----
NET CURRENT ASSETS		26,507,520	10,607,975
		-----	-----
NON-CURRENT LIABILITIES			
Other loans		--	500,000
		-----	-----
NET ASSETS		26,560,320	10,178,375
		=====	=====
REPRESENTED BY			
General fund		21,386,528	10,178,375
IEF Emergency Assistance fund	10	5,173,792	--
		-----	-----
		26,560,320	10,178,375
		=====	=====

Approved and authorised for issue by the board of executive committee members on November 11, 2021



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, 2021

	<u>General fund</u>	<u>IEF Emergency Assistance fund</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at beginning of the year	10,178,375	--	10,178,375
Surplus for the year	11,208,153	5,173,792	16,381,945
	<hr/>	<hr/>	<hr/>
Balance at end of year	<u>21,386,528</u>	<u>5,173,792</u>	<u>26,560,320</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, 2021

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 people of low economic status.

2. BASIS OF PREPARATION

(a) Statement of compliance

In accordance with section 359 and sub-section 3 of section 363 of the Hong Kong Companies Ordinance, the fellowship qualifies for the reporting exemption as a small guarantee company 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, 2021

3. 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.

(b) Foreign exchange

The reporting currency of the fellowship is Hong Kong dollars, which is the currency of the primary economic environment in which the fellowship operates. Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(c) 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%

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) 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.

(e) 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.

(f) 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.

(g) Government grants

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

4. 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.

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

5. 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 (2020: Nil).

6. COLLECTION ON FLAG DAY SALES

The executive committee members confirm that the funds raising from the flag sales held on May 23, 2020 (2020: May 18, 2019) with gross proceeds of \$736,036 (2020: \$1,014,840) has been fully utilised for the purposes as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Low-income and their families		
- Volunteer training program	36,802	50,742
- Families visit service program	73,603	101,484
- Outdoor recreational activities program	73,603	101,484
- Home maintaining service program	73,603	101,484
	<u>257,611</u>	<u>355,194</u>
	-----	-----
Problematic gamblers and their families		
- Hotline service program	22,081	30,445
- Counseling service program	36,802	50,742
- Mutual support groups program	44,162	60,890
- Peer support workers training program	29,441	40,594
- Recreational activities and camping program	36,802	50,742
- Community education program	51,523	71,039
- Training manual	36,802	50,742
	<u>257,613</u>	<u>355,194</u>
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...../To be continued

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

6. COLLECTION ON FLAG DAY SALES (CONTINUED)

...../Continued

	<u>2021</u>	<u>2020</u>
	\$	\$
Jobless people and their families		
- Hotline service program	22,081	30,445
- Job recruitment service program	58,883	81,187
- Counseling service for jobless people program	44,163	60,891
- Community education program	22,081	30,445
	<u>147,208</u>	<u>202,968</u>
	-----	-----
New immigrants and their families		
- Volunteer training program	14,721	20,297
- Families visit service program	22,081	30,445
- Caring and counseling service program	14,721	20,297
- Community education program	22,081	30,445
	<u>73,604</u>	<u>101,484</u>
	-----	-----
	<u>736,036</u>	<u>1,014,840</u>
	=====	=====

7. ACTIVITIES EXPENSES

The activities expenses comprise:

	<u>2021</u>	<u>2020</u>
	\$	\$
Activities expenses	253,958	234,079
Child Development Fund	2,276,704	3,292,556
Collection on Flag Day sales	11,078	32,337
District Support Scheme for Children and Youth Development	76,000	76,000
Nethersole Fund	800,000	800,000
攜手扶弱基金 – 福愛傳洪新動力	--	6,503
兒童發展基金校本計劃	191,874	473,891
	<u>3,609,614</u>	<u>4,915,366</u>
	=====	=====

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

8. 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, 2020 and March 31, 2021	2,924,406	808,398	604,413	4,337,217
	-----	-----	-----	-----
<u>Accumulated depreciation and impairment losses:</u>				
At April 1, 2020	2,854,006	808,398	604,413	4,266,817
Depreciation charge for the year	17,600	--	--	17,600
At March 31, 2021	2,871,606	808,398	604,413	4,284,417
	=====	=====	=====	=====
<u>Carrying amount:</u>				
At April 1, 2020	70,400	--	--	70,400
	=====	=====	=====	=====
At March 31, 2021	52,800	--	--	52,800
	=====	=====	=====	=====

9. PROVISIONS FOR OTHER LIABILITIES

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Provision for long service payment	623,930	766,203
Provision for annual leave	258,821	294,817
	=====	=====
	882,751	1,061,020
	=====	=====

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

10. IEF EMERGENCY ASSISTANCE FUND

IEF Emergency Assistance fund was set up to provide rapid response to people who find themselves in an emergency financial crisis for which other sources of help may not be available. Movements in the fund during the year are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
At beginning of year	--	--
	-----	-----
Donation received	5,510,792	--
Expenses incurred	(337,000)	--
	-----	-----
Surplus for the year	5,173,792	--
	-----	-----
At end of year	<u>5,173,792</u>	<u>--</u>
	=====	=====

11. OPERATING LEASE COMMITMENTS

At March 31, 2021, 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>2021</u>	<u>2020</u>
	\$	\$
Within 1 year	1,109,012	1,212,012
After 1 year but within 5 years	10	1,109,022
	-----	-----
	<u>1,109,022</u>	<u>2,321,034</u>
	=====	=====

