

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019



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, 2019

The executive committee members submit their annual report together with the audited financial statements for the year ended March 31, 2019.

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.

...../To be continued

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

FOR THE YEAR ENDED MARCH 31, 2019

...../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 4, 2019



**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 22, which comprise the statement of financial position as at March 31, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, 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 Fellowship as at March 31, 2019, and of its financial performance and its cash flows 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 Fellowship 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.

...../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)**

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.

**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 that give a true and fair view in accordance with HKFRSs 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee members.

...../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)**

- 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.
- 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.

Certified Public Accountants  
Hong Kong  
November 4, 2019

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



THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2019

	<u>NOTE</u>	<u>2019</u>	<u>2018</u>
		<u>\$</u>	<u>\$</u>
INCOME			
Activities income		1,667,198	1,001,514
Bank interest received		4,253	45
Collection on Flag Day sales		--	618,319
Collection on walkathon		196,414	411,106
District Support Scheme for Children and Youth Development		72,000	39,000
Donations		5,214,455	7,967,539
Donations from Nethersole Fund		800,000	800,000
Donations from 攜手扶弱基金 - 栽種深水寶		--	269,825
Donations from 攜手扶弱基金 - 福愛傳洪新動力		395,787	127,362
Donations from 攜手扶弱基金 - 栽種愛+正能量		293,334	146,966
Donations from 燃亮生機行動計劃		23,700	66,000
Rental income		--	1,500
Sale of books		1,794	5,117
Subvention from Child Development Fund		2,773,219	2,268,207
Subvention from the Employees Retraining Board		2,407,802	2,272,363
Subvention from 兒童發展基金校本模式試行計劃		616,990	789,916
Other income		42,864	156,497
Tutorial income		97,145	23,045
		<u>14,606,955</u>	<u>16,964,321</u>
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...../To be continued

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2019

...../Continued

	<u>NOTE</u>	<u>2019</u>	<u>2018</u>
		<u>\$</u>	<u>\$</u>
LESS: EXPENDITURE			
Activities expenses	7	4,653,519	5,362,659
Advertising and promotion		16,818	9,386
Auditors' remuneration		16,200	15,000
Bank charges		9,873	14,430
Cleaning expenses		87,788	89,868
Depreciation	8	25,691	183,514
Electricity, water and telephone		210,584	206,905
Employees Retraining Board		803,653	957,516
Insurance		59,848	31,198
Medical allowance		25,141	30,644
Membership fee		--	10,400
Minor purchases		2,380	3,750
Newspaper and magazine		4,485	4,274
Postage and stamp		5,703	3,422
Printing and stationery		108,836	117,973
Provident fund contribution		519,928	589,854
Provision for long service payment		--	60,401
Recruitment fee		12,610	6,986
Rent, rates and building management fee		1,404,652	1,431,724
Repairs and maintenance		74,130	64,954
Salaries and allowances		6,025,766	6,378,370
Sundry expenses		61,308	87,993
Travelling expenses		21,288	20,405
Tutorial expenses		46,885	3,822
TOTAL EXPENDITURE		<u>14,197,086</u>	<u>15,685,448</u>
SURPLUS FOR THE YEAR		<u>409,869</u>	<u>1,278,873</u>
OTHER COMPREHENSIVE INCOME		--	--
TOTAL COMPREHENSIVE INCOME		<u>409,869</u>	<u>1,278,873</u>

The notes on pages 12 to 22 form part of these financial statements.

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	<u>NOTE</u>	<u>2019</u> \$	(Restated) <u>2018</u> \$
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	8	9,910	35,601
<b>CURRENT ASSETS</b>			
Prepayments and deposits		525,006	492,654
Bank balances and cash		5,174,322	6,349,826
		5,699,328	6,842,480
<b>CURRENT LIABILITIES</b>			
Other accounts payable		18,300	18,300
Accrued expenses		88,578	176,335
Temporary receipts		2,908,033	4,072,283
Temporary receipts – 潘仁智紀念基金		68,536	68,536
Provision for other liabilities	9	824,916	821,621
Loans from executive committee members		--	250,000
Other loans	10	--	80,000
		3,908,363	5,487,075
<b>NET CURRENT ASSETS</b>		1,790,965	1,355,405
<b>NON-CURRENT LIABILITIES</b>			
Other loans	10	500,000	500,000
<b>NET ASSETS</b>		1,300,875	891,006
<b>REPRESENTED BY</b>			
General funds		1,300,875	891,006

Approved and authorised for issue by the board of executive committee members on November 4, 2019

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

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

The notes on pages 12 to 22 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, 2019

	<u>General funds</u>
	<u>\$</u>
Balance at April 1, 2017	(387,867)
Total comprehensive income for the year	1,278,873
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Balance at March 31, 2018	891,006
	<hr/> <hr/>
Balance at April 1, 2018	891,006
Total comprehensive income for the year	409,869
	<hr/>
Balance at March 31, 2019	1,300,875
	<hr/> <hr/>

The notes on pages 12 to 22 form part of these financial statements.

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

	<u>NOTE</u>	<u>2019</u> <u>\$</u>	<u>2018</u> <u>\$</u>
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	11	(1,179,757) -----	2,374,889 -----
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		4,253	45
Net cash from investing activities		<u>4,253</u>	<u>45</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,175,504)	2,374,934
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>6,349,826</u>	<u>3,974,892</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>5,174,322</u>	<u>6,349,826</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		<u>5,174,322</u>	<u>6,349,826</u>

The notes on pages 12 to 22 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, 2019**

**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

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards and Interpretation) 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. These financial statements are presented to the nearest Hong Kong dollars, which is the fellowship’s functional and presentation currency.

(b) Reporting exemption

The fellowship qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance.

(c) Basis of measurement

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

(d) Going concern

These financial statements have been prepared on the basis that the fellowship is a going concern.

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Adoption of new and revised HKFRSs

In current year, the fellowship has adopted all of the new and revised standards and interpretations issued by the HKICPA that are relevant to its operations and effective for current accounting period of the fellowship. The adoption of these new and revised standards and interpretations has no material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Standards and interpretations not yet effective

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the current accounting period of the fellowship and have not been adopted in these financial statements. The executive committee members anticipate that the adoption of these amendments, new standards and interpretations in future periods is unlikely to have a significant impact on the fellowship's results of operations and financial position.

(b) Plant and equipment

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

Depreciation is provided to write off the cost of plant and equipment, less their estimated residual value, if any, using the straight-line method at the following rates per annum:

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

(c) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental applicable to such operating leases are charged or credited to surplus or deficit on the straight-line basis over the period of the lease.

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

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

(d) Impairment

At the end of each reporting period, the fellowship reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to surplus or deficit in the year in which the reversals are recognised.

(e) Other receivables

Other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits at banks, net of short-term bank loans and bank overdrafts which are repayable on demand.

(g) Other payables

Other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in such cases, they are stated at cost.



**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

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

(h) Provisions

Provisions are recognised when the fellowship has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the fellowship expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(i) Government grants

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

(j) Revenue recognition

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

- (i) Donation 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.

(k) 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 INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

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

(l) Related parties

- (i) A person or a close member of that person's family is related to the fellowship if that person:
  - (a) has control or joint control over the fellowship;
  - (b) has significant influence over the fellowship; or
  - (c) is a member of the key management personnel of the fellowship or of a parent of the fellowship.
  
- (ii) An entity is related to the fellowship if any of the following conditions applies:
  - (a) The entity and the fellowship are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (c) Both entities are joint ventures of the same third party.
  - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (e) The entity is a post-employment benefit plan for the benefit of employees of either the fellowship or an entity related to the fellowship.
  - (f) The entity is controlled or jointly controlled by a person identified in (i).
  - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of 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 INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The fellowship makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Impairment on receivables**

The fellowship's management determines the provision for impairment on receivables. This estimate is based on the credit history of its customers and current market conditions. Management reassesses the estimation at the end of each reporting period.

**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 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 (2018: Nil).

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

**7. ACTIVITIES EXPENSES**

The activities expenses comprise:

	<u>2019</u>	(Restated) <u>2018</u>
	<u>\$</u>	<u>\$</u>
Activities expenses	322,535	653,926
Child Development Fund	2,200,419	2,268,121
Collection on Flag Day sales	8,625	44,980
District Support Scheme for Children and Youth Development	73,500	37,500
Expenses for walkathon	28,037	19,146
Nethersole Fund	800,000	800,000
同行基金	5,262	181,650
攜手扶弱基金 – 活力節拍 show	--	33,636
攜手扶弱基金 – 栽種深水寶	--	259,456
攜手扶弱基金 – 福愛傳洪新動力	285,977	127,362
攜手扶弱基金 – 栽種愛+正能量	312,174	146,966
兒童發展基金校本模式試行計劃	616,990	789,916
	<u>4,653,519</u>	<u>5,362,659</u>

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

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, 2017 and March 31, 2018	2,836,406	808,398	604,413	4,249,217
	-----	-----	-----	-----
At April 1, 2018 and March 31, 2019	2,836,406	808,398	604,413	4,249,217
	-----	-----	-----	-----
<u>Accumulated depreciation and impairment losses:</u>				
At April 1, 2017	2,617,291	808,398	604,413	4,030,102
Depreciation charge for the year	183,514	--	--	183,514
At March 31, 2018	2,800,805	808,398	604,413	4,213,616
	-----	-----	-----	-----
At April 1, 2018	2,800,805	808,398	604,413	4,213,616
Depreciation charge for the year	25,691	--	--	25,691
At March 31, 2019	2,826,496	808,398	604,413	4,239,307
	-----	-----	-----	-----
<u>Carrying amount:</u>				
At April 1, 2017	219,115	--	--	219,115
	=====	=====	=====	=====
At March 31, 2018	35,601	--	--	35,601
	=====	=====	=====	=====
At April 1, 2018	35,601	--	--	35,601
	=====	=====	=====	=====
At March 31, 2019	9,910	--	--	9,910
	=====	=====	=====	=====

THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

9. PROVISIONS FOR OTHER LIABILITIES

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Provision for long service payment	539,815	483,121
Provision for annual leave	285,101	338,500
	<u>824,916</u>	<u>821,621</u>

10. OTHER LOANS

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

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Current portion	--	80,000
Non-current portion	500,000	500,000
	<u>500,000</u>	<u>580,000</u>

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

**(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2019**

**11. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH (USED IN)/FROM OPERATING ACTIVITIES**

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Surplus for the year	409,869	1,278,873
Adjustments for:		
Interest income	(4,253)	(45)
Depreciation	25,691	183,514
Operating surplus before working capital changes	<u>431,307</u>	<u>1,462,342</u>
(Increase)/Decrease in prepayments and deposits	(32,352)	211,622
(Decrease)/Increase in accrued expenses	(87,757)	71,132
Decrease in receipts in advance	--	(83,500)
(Decrease)/Increase in temporary receipts	(1,164,250)	435,020
Increase in temporary receipts – 潘仁智紀念基金	--	20,000
Increase/(Decrease) in provision for other liabilities	3,295	(61,727)
Decrease in loans from executive committee members	(250,000)	(180,000)
(Decrease)/Increase in other loans	(80,000)	500,000
Net cash (used in)/from operating activities	<u><u>(1,179,757)</u></u>	<u><u>2,374,889</u></u>

**12. OPERATING LEASE COMMITMENTS**

At March 31, 2019, the fellowship had commitments for future minimum lease payments in respect of land and buildings under non-cancellable operating leases which fall due as follows:

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Within 1 year	1,112,010	1,141,312
After 1 year but within 5 years	21,000	1,100,010
	<u><u>1,133,010</u></u>	<u><u>2,241,322</u></u>

**THE INDUSTRIAL EVANGELISTIC FELLOWSHIP LIMITED**

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**FOR THE YEAR ENDED MARCH 31, 2019**

**13. CAPITAL MANAGEMENT**

The fellowship's primary objectives when managing capital are to safeguard the fellowship's ability to continue as a going concern, so that it can continue to provide benefits for its stakeholders.

The fellowship regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions.

The capital represents general funds, and the fellowship's management are of the opinion that they have monitored the capital under satisfactory level for the year.

**14. FINANCIAL RISK MANAGEMENT**

The fellowship's activities are exposed to a variety of financial risks as summarised below:

(a) Interest rate risk

As the fellowship has no significant interest-bearing liabilities, it exposes to interest rate risk primarily to the bank deposits. In the opinion of the executive committee members, the interest rate risk is minimal.

(b) Foreign exchange risk

Most of the fellowship's monetary assets and liabilities are denominated in Hong Kong dollars, and the fellowship conducted its operation principally in Hong Kong dollars. Therefore, the foreign exchange risk is not significant.

(c) Credit risk

The fellowship is not subject to any significant credit risk.

(d) Liquidity risk

The fellowship has policies to maintain continuity of funding to meet its liabilities. In the opinion of the executive committee members, the fellowship has a solid financial position, and the exposure to liquidity risk is minimal.

**15. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's presentation.