

**The Association of Evangelical Free
Churches of Hong Kong**

Audited Accounts for the year ended 31st March 2013

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Lau Wah Ching
Certified Public Accountant (Practising)



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CERTIFIED PUBLIC ACCOUNTANT
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Auditor's Certification

To the Members of
The Association of Evangelical Free Churches of Hong Kong
("Association")

I have audited the financial statements on pages 1 to 10 which comprise the balance sheet as at 31 March 2013, and the statement of income and expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

Respective responsibilities of the governing council and auditor

The Association's executive committee is responsible for preparing financial statements which give a true and fair view in accordance with the Hong Kong Financial Reporting Standards for Private Entities issued by the Hong Kong Institute of Certified Public Accountants, 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.

My responsibility is to express an opinion, based on my audit, on these financial statements and to report my opinion solely to you, as a body and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

I conducted my audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and

EFCC - 2013

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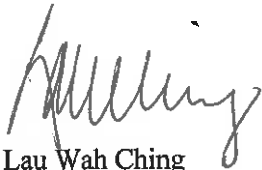
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the reasonableness of accounting estimates made by the executive committee members, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion

Opinion

In my opinion the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2013 and of its deficit for the year then ended in accordance with the Hong Kong Financial Reporting Standards for Private Entities.



Lau Wah Ching
Certified Public Accountant (Practising)
Practising Certificate No. P01217

Hong Kong
29 October 2013

EFCC - 2013

Principal: Lau Wah Ching,
BA, MBA, FCCA, CICPA, CMA, ACMA, CPA(Practising)

The Association of Evangelical Free Churches of Hong Kong
OPERATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 1ST APRIL 2012 TO 31ST MARCH 2013

	Note	2013		2012	
		Subvented Units	Financing Units	Subvented Units	Financing Units
		HK\$	HK\$	HK\$	HK\$
INCOME					
Social Welfare subvention		8,213,995.00	0.00	7,738,002.00	0.00
Subvention for Subsidy Scheme- Extended Hours Service	a	18,720.00	0.00	18,720.00	0.00
Subvention for Subsidy Scheme- Occasional Child Care Service		53,000.00	0.00	0.00	0.00
Subvention for Training Subsidy Scheme- Integrated Program		0.00	0.00	0.00	0.00
Subvention for Training Subsidy Scheme- Standalone Child Care Centre		0.00	0.00	0.00	0.00
Subvention for Program Assistant		258,889.00	0.00	253,535.00	0.00
Subvention for Program Worker		307,584.00	0.00	307,584.00	0.00
Subvention for Rent		470,172.00	591,965.30	470,172.00	594,682.40
Subvention for Rates		88,710.00	59,148.80	88,710.00	65,028.00
Subvention for Government Rent		59,294.00	6,300.00	59,294.00	5,580.00
Subvention for Cleaning Service		0.00	0.00	0.00	0.00
Occasional Child Care Service income		58,726.40	0.00	50,746.20	0.00
Extended Hours Service income		29,091.00	0.00	23,189.00	0.00
Membership fee		58,465.00	46,418.00	50,996.00	46,537.00
Membership fee of Social Service Management Board		9,000.00	0.00	9,000.00	0.00
Programme income		0.00	858,338.70	0.00	1,110,762.46
Income from selling flag		0.00	0.00	1,499,270.50	0.00
Other Income					
(a) Bank interest		158.43	117.44	169.13	70.48
(b) Church contributions		169,786.56	715,315.00	91,704.69	465,097.59
(c) Donations by EFCC		200,000.00	0.00	220,000.00	0.00
(d) Donations for EFCC Elderly Service		320,000.00	0.00	320,000.00	0.00
(e) Subsidy by Elderly Service		27,000.00	0.00	24,000.00	0.00
(f) Subsidy by Nursery School		66,000.00	0.00	52,000.00	0.00
(g) Other donations		165,567.10	359,258.50	59,602.70	495,294.80
(h) Designated Funds		73,960.00	120,677.80	0.00	732,205.51
(i) Community Chest-Capital Project Fund		0.00	0.00	532,360.00	0.00
(j) Shih Wing Ching Foundation		0.00	0.00	200,000.00	0.00
(k) BOCHK Caring HK-A Heart Warming Campaign		1,089,225.00	0.00	629,865.00	336,289.80
(l) Income of service provided		58,308.31	214,674.00	38,826.03	206,088.10
(m) Sundry income		3,202.50	35,865.33	24,395.61	85,985.40
TOTAL INCOME		11,798,854.30	3,008,078.87	12,762,141.86	4,143,621.54
EXPENDITURE:					
Personal Emoluments:					
Staff salaries		5,407,631.73	3,003,157.77	5,079,216.49	2,483,766.22
Relief worker		6,500.00	0.00	6,490.00	0.00
Salary for Program Assistants		272,033.01	0.00	239,850.00	0.00
Salary for Program Worker		283,897.86	0.00	288,000.00	0.00
Salary for Integrated Program staff		2,104,865.00	0.00	1,950,105.00	0.00
Mandatory Provident Fund		418,818.18	163,546.64	368,470.47	135,033.98
Provident Fund		74,713.50	0.00	66,330.00	0.00
Mandatory Provident Fund for Program Assistants		13,601.65	0.00	11,992.50	0.00
Mandatory Provident Fund for Program Worker		14,194.89	0.00	14,400.00	0.00
Less : Forfeiture of employer's contributions		0.00	0.00	0.00	0.00
Other statutory payment		0.00	0.00	0.00	0.00
Total Personal Emoluments		8,596,255.82	3,166,704.41	8,024,854.46	2,618,800.20

The Association of Evangelical Free Churches of Hong Kong
OPERATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 1ST APRIL 2012 TO 31ST MARCH 2013

	Note	2013		2012	
		Subvented Units HK\$	Financing Units HK\$	Subvented Units HK\$	Financing Units HK\$
Other Charges					
Utilities					
Electricity	a	143,924.32	131,061.93	135,164.19	125,925.58
Water & Sewage charge		7,274.41	1,422.20	1,864.20	1,442.25
Sub-total		151,198.73	132,484.13	137,028.39	127,367.83
Administrative Expenses					
Postage		3,017.20	3,936.80	4,273.10	3,427.50
Advertisement for staff recruitment		5,259.00	6,152.00	4,991.20	2,124.00
Advertising of publicity		0.00	608.00	5,220.00	0.00
Audit fee		10,000.00	15,200.00	11,000.00	12,700.00
Audit fee for ORSO		143.00	0.00	143.00	0.00
Accountancy service		0.00	3,000.00	0.00	0.00
Telephone and Fax line		16,928.38	13,983.80	19,392.72	13,334.40
Internet service charge		14,448.35	10,577.00	14,935.17	7,337.00
Website and Server service charge		19,800.00	1,062.00	19,290.00	656.00
Bank charge for autopayment		600.00	0.00	630.00	0.00
P.Fund management charge		0.00	0.00	0.00	0.00
Staff medical check charge		1,050.00	210.00	850.00	11,875.50
Cleaning service expenses		4,900.00	15,680.00	0.00	0.00
Depreciation		0.00	8,013.79	0.00	0.00
Sub-total		76,145.93	78,423.39	80,725.19	51,454.40
Food					
Food for children		21,357.33	0.00	19,058.46	0.00
Sub-total		21,357.33	0.00	19,058.46	0.00
Stores and Equipment					
Cleaning material		28,582.04	15,141.30	24,075.88	14,633.10
Printing charge		33,505.97	14,829.51	104,522.12	19,698.93
Rental of photocopying machine		22,056.00	31,659.33	20,956.00	28,672.53
Stationery		17,879.80	14,022.90	14,845.80	8,088.30
Computer (hardware/software)		28,587.00	7,167.00	37,017.60	13,416.40
Minor purchases		86,449.40	42,698.00	111,209.70	39,765.10
Newspapers and Periodicals		34,239.95	16,396.50	27,990.60	14,248.00
Repair and Maintenance		293,959.70	426,320.00	95,838.80	69,141.90
Sub-total		545,259.86	568,234.54	436,456.50	207,664.26
Programme Expenses					
Programme expenses		1,163,512.16	0.00	873,334.91	0.00
Less : Programme income		(1,142,214.40)	0.00	(863,635.70)	0.00
Sub-total		21,297.76	0.00	9,699.21	0.00
Transportation and Travelling					
Vehicle Expenses					
(a) Vehicle licence		0.00	0.00	0.00	0.00
(b) Third party insurance		0.00	0.00	0.00	0.00
Other travelling expenses		9,885.70	4,416.30	27,536.60	2,394.80
Sub-total		9,885.70	4,416.30	27,536.60	2,394.80
Insurance Premium					
Employee's compensation		25,520.50	7,750.26	15,444.95	3,412.67
Public liability		3,873.20	1,857.67	4,171.34	1,925.93
Group Personal Accident		2,850.00	950.00	0.00	0.00
Others		12,162.10	10,270.00	15,100.00	8,620.00
Sub-total		44,405.80	20,827.93	34,716.29	13,958.60

The Association of Evangelical Free Churches of Hong Kong
OPERATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 1ST APRIL 2012 TO 31ST MARCH 2013

	Note	2013		2012	
		Subvented Units	Financing Units	Subvented Units	Financing Units
		HK\$	HK\$	HK\$	HK\$
Miscellaneous					
(a) Bank charges		1,510.00	2,430.00	2,150.00	1,494.00
(b) Staff training	a	107,819.70	3,530.00	22,204.00	8,295.50
(c) Staff uniform		0.00	0.00	0.00	0.00
(d) Sundry expenses		20,625.60	14,246.50	25,800.00	16,490.80
(e) Staff programme		30,754.50	2,450.00	34,088.50	2,200.00
(f) Staff medical allowance		0.00	15,908.50	0.00	0.00
(g) Periodic fee for ORSO		171.00	0.00	171.00	0.00
(h) Training Subsidy Scheme-Integrated Program		0.00	0.00	8,364.00	0.00
(i) Training Subsidy Scheme- Standalone Child Care Centre		0.00	0.00	7,134.00	0.00
(j) Subsidy to EFCC Elderly Service		400,000.00	0.00	320,000.00	0.00
(k) Air-conditioning expenses		0.00	0.00	0.00	0.00
(l) Other charges for Integrated Program		0.00	0.00	0.00	0.00
(m) Designated expenses-Flag Day		0.00	0.00	1,350,017.87	0.00
(n) Designated Funds expenses		73,960.00	120,677.80	0.00	653,562.61
(o) Community Chest-Capital Project Fund		0.00	0.00	532,360.00	0.00
(p) Shih Wing Ching Foundation expenses		0.00	0.00	200,000.00	0.00
(q) BOCHK Caring HK-A Heart Warming Campaign expenses		949,607.66	0.00	533,055.41	336,289.80
(r) Preparatory expenses		0.00	0.00	0.00	0.00
Sub-total		1,584,448.46	159,242.80	3,035,344.78	1,018,332.71
Subsidy Scheme for Extended Hours Service expenses		7,140.00	0.00	12,180.00	0.00
Subsidy Scheme for Occasional Child Care Service expenses		34,810.10	0.00	0.00	0.00
Total Other Charges		2,495,949.67	963,629.09	3,792,745.42	1,421,172.60
Rent		513,763.00	637,078.00	509,608.00	636,832.40
Rates		75,150.00	60,022.00	79,800.00	66,552.00
Government Rent		67,158.00	6,300.00	62,280.00	5,580.00
Sub-total		656,071.00	703,400.00	651,688.00	708,964.40
TOTAL EXPENDITURE		11,748,276.49	4,833,733.50	12,469,287.88	4,748,937.20
INCOME LESS EXPENDITURE					
(A) - (B)		50,577.81	(1,825,654.63)	292,853.98	(605,315.66)

The notes on pages 5 to 10 form part of these accounts

The Association of Evangelical Free Churches of Hong Kong
Balance Sheet as at 31st March 2013
(Expressed in Hong Kong Dollars)

ASSETS	Note	2013		2012	
		Subvented Units HK\$	Financing Units HK\$	Subvented Unit HK\$	Financing Units HK\$
Current Assets					
Accounts receivable		128,461.02	180,407.50	46,348.15	836,026.90
Prepayments		9,487.60	10,063.50	0.00	16,775.00
Temporary payment		105,306.30	21,835.32	53,864.00	0.00
Utilities deposits		45,008.00	22,155.70	45,008.00	22,155.70
Stocks on hand		0.00	0.00	0.00	0.00
Cash at bank		8,743,439.65	774,102.86	8,099,328.66	1,426,055.99
Cash in hand		15,315.20	15,761.00	12,909.30	10,571.00
		<u>9,047,017.77</u>	<u>1,024,325.88</u>	<u>8,257,458.11</u>	<u>2,311,584.59</u>
FUNDS EMPLOYED					
Current Liabilities					
Loan from church		0.00	953,638.74	0.00	270,000.00
Bank overdraft		0.00	0.00	0.00	466,695.99
Accounts payable	4	157,930.65	29,068.96	81,986.00	68,044.80
Temporary receipt		392,392.64	51,568.40	226,241.42	56.00
Fees received in advance		79,399.00	37,664.00	68,160.00	141,154.00
Current accounts with affiliates		657,414.10	(657,414.10)	0.00	0.00
Lump Sum Grant surplus		457,569.87	0.00	810,988.78	0.00
Provident Fund Reserve-existing staff		292,284.21	0.00	325,100.21	0.00
Provident Fund Reserve-6.8% post & others		1,196,449.93	0.00	1,036,674.61	0.00
Rent and Rates subvention surplus		2,121.40	0.00	6,925.40	0.00
SWD subvention for Special One-Off Grant		0.00	0.00	0.00	0.00
SWD subvention for Cleaning Service		0.00	0.00	0.00	0.00
SWD subvention for Program Assistants		0.00	0.00	1,295.59	0.00
SWD subvention for Program Worker		9,491.25	0.00	5,184.00	0.00
SWD subvention for Subsidy Scheme- Extended Hours Service		16,620.00	0.00	5,040.00	0.00
SWD subvention for Subsidy Scheme- Occasional Child Care Service		18,189.90	0.00	-	-
Subvention for Training Subsidy Scheme- Integrated Program		78,694.00	0.00	78,694.00	0.00
Subvention for Training Subsidy Scheme- Standalone Child Care Centre		137,197.00	0.00	137,197.00	0.00
		<u>3,495,753.95</u>	<u>414,526.00</u>	<u>2,783,487.01</u>	<u>945,950.79</u>
Accumulated General Fund	5	318,472.01	(635,358.10)	383,865.68	(44,446.19)
Designated Fund - Flag Days		14,576.94	175,500.00	138,762.71	520,794.53
Other Designated Funds	6	5,218,214.87	1,069,657.98	4,951,342.71	889,285.46
		<u>9,047,017.77</u>	<u>1,024,325.88</u>	<u>8,257,458.11</u>	<u>2,311,584.59</u>

So Chun Ho
(Chairman)

Chau Yin Ming Francis
(Director/Chief Supervisor Social Service Office)

The notes on pages 5 to 10 form parts of these accounts

The Association of Evangelical Free Churches of Hong Kong

Balance Sheet as at 31st March 2013

(Expressed in Hong Kong Dollars)

Notes To The Accounts

1 General information

The Association of Evangelical Free Churches of Hong Kong (the Association) is a charitable organization. The Association's registered office and principal place of business are located at 14/F., Cheung Lee Commercial Building, 25 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong.

2 Basis of preparation and accounting policies

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention.

Summary of significant accounting policies

(a) Revenue recognition

Revenue is recognized in surplus or deficit provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, as follows:

- (i) Donations received, subventions and members' subscriptions are recognised on cash basis.
- (ii) Interest income is recognized on a time basis, by reference to the principal outstanding and at the interest rate applicable.

(b) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment comprises the following:-

- the purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operation in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is charged so as to write off the cost of assets in the year of purchase except as stipulated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(c) Account receivables

Account receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of account receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

Notes To The Accounts

(d) Account payables

Account payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

(e) Impairment of non-financial 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 an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in surplus of deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of 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 recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in surplus of deficit.

(f) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:-

- (i) A person or a close member of that person's family is related to the Association if that person:-
 - (a) is a member of the key management personnel of the Association or of a parent of the Association;
 - (b) has control over the Association; or
 - (c) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (ii) An entity is related to the Association if any of the following conditions applies:
 - (a) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)
 - (b) 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).
 - (c) both entities are joint ventures of a third entity.
 - (d) either 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 Association or an entity related to the Association. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (f) the entity is controlled or jointly controlled by a person identified in (i).
 - (g) a person identified in (i)(a) has significant voting power in the entity.

The Association of Evangelical Free Churches of Hong Kong

Balance Sheet as at 31st March 2013

(Expressed in Hong Kong Dollars)

Notes To The Accounts

(g) Provision and contingent liabilities

A provision is recognized for liability of uncertain timing or amount when the Association has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditure for which a provision has been recognized is charged against the related provision in the year in which the expenditure is incurred. Provision is reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditure expected to be required to settle the obligation. Where the Association expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Expense relating to a provision is presented net of the amount recognized for a reimbursement in the surplus or deficit.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, of which existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(h) 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 overdrafts that are repayable on demand and form an integral part of the Association's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

3 Basis of consolidation

The consolidated accounts include the accounts of the following organisations of The Association of Evangelical Free Churches of Hong Kong made up to 31st March 2013:

(A) Subvented units

1. Social Service Office (Central Administration)
2. EFCC - Fook On Church Elderly Centre
3. EFCC - Hing Tin Wendell Memorial Church Alison Lam Elderly Centre
4. EFCC - Mei Foo Elderly Centre
5. Flag day fund raising event

(B) Financing units

1. EFCC - Hong Fook Church Bradbury Community Health Development Centre
2. EFCC - Choi Fook Church Neighbourhood Family Service Centre
3. EFCC - Hong Fook Church Elderly Centre
4. EFCC - Abundant Grace Church Family Activity Centre
5. EFCC - Shun On Social Service Centre
6. EFCC - Lok Yan Learning Centre (from 1 December 2012 onwards)

The Association of Evangelical Free Churches of Hong Kong

Balance Sheet as at 31st March 2013

(Expressed in Hong Kong Dollars)

Notes To The Accounts

The consolidated accounts also include the accounts of the following organisations in respect of the subvention for integrated programs, occasional child care service and extended hours child care service in nursery schools made up to 31 March 2013, which are included under "subvented units" mentioned in (A) above.

1. EFCC - Po Nga Nursery School
2. EFCC - Abundant Grace Church Abundant Grace Nursery School
3. EFCC - Verbena Nursery School
4. EFCC - Tin Yan Nursery School

4 Accounts payable

	2013		2012	
	Subvented Units	Financing Units	Subvented Units	Financing Units
	HK\$	HK\$	HK\$	HK\$
Accrued expenses	157,930.65	16,368.96	81,986.00	57,844.80
Provision for audit fees	0.00	12,700.00	0.00	10,200.00
	<u>157,930.65</u>	<u>29,068.96</u>	<u>81,986.00</u>	<u>68,044.80</u>

5 Accumulated General Fund

	2013		2012	
	Subvented Units	Financing Units	Subvented Units	Financing Units
	HK\$	HK\$	HK\$	HK\$
At the beginning of the year	383,865.68	83,466.02	327,664.20	68,343.33
Unallocated costs in previous	0.00	0.00	0.00	0.00
Social Welfare subvention su	183,637.24	0.00	114,321.10	0.00
Fund raising by Association	(200,000.00)	0.00	(200,000.00)	0.00
Transferred (to)/from Design	(99,608.72)	1,106,830.51	(150,973.60)	492,526.14
Surplus/(Deficit) for the year	<u>50,577.81</u>	<u>(1,825,654.63)</u>	<u>292,853.98</u>	<u>(605,315.66)</u>
At the end of the year	<u>318,472.01</u>	<u>(635,358.10)</u>	<u>383,865.68</u>	<u>(44,446.19)</u>

The Association of Evangelical Free Churches of Hong Kong

Balance Sheet as at 31st March 2013

(Expressed in Hong Kong Dollars)

Notes To The Accounts

6 Other Designated Funds

(a) Movements on other Designated Funds	2013		2012	
	Subvented Units	Financing Units	Subvented Units	Financing Units
	HK\$	HK\$	HK\$	HK\$
At the beginning of the year	4,951,342.71	889,285.46	4,300,011.07	812,401.52
Income for the year	397,830.28	398,255.50	1,299,979.74	508,872.34
Expenditure for the year	(130,958.12)	(217,882.98)	(648,648.10)	(431,988.40)
At the end of the year	<u>5,218,214.87</u>	<u>1,069,657.98</u>	<u>4,951,342.71</u>	<u>889,285.46</u>

(b) Details of other Designated Funds	2013		2012	
	Subvented Units	Financing Units	Subvented Units	Financing Units
	HK\$	HK\$	HK\$	HK\$
LSG Reserve	0.00	0.00	0.00	0.00
Social Service Fund	1,786,112.89	0.00	1,785,953.45	0.00
Social Service Development Fund	721,061.55	0.00	721,033.41	0.00
Fund Raising	1,153,239.40	0.00	953,239.40	0.00
Staff Welfare	25,728.33	0.00	37,840.00	0.00
Staff Development	6,000.00	0.00	6,000.00	0.00
Donation	343,176.29	0.00	199,325.19	0.00
Care for Elderly Charitable R	310,210.05	120,433.91	284,626.30	86,846.41
Walkathon	34,205.00	557,512.67	100,429.60	619,211.75
Renovation	40,289.10	0.00	64,703.10	0.00
Child Care Service	798,192.26	0.00	798,192.26	0.00
BOCHK Caring HK-A Heart Campaign	0.00	0.00	0.00	0.00
教育局區本計劃	0.00	0.00	0.00	37,128.30
集思公益計劃	0.00	333,161.10	0.00	41,229.80
自在人生自學計劃	0.00	0.00	0.00	38,575.00
社區香薰	0.00	50,040.30	0.00	66,294.20
信望愛小組	0.00	8,510.00	-	-
Church Donation	0.00	0.00	0.00	0.00
Centre Fund	0.00	0.00	0.00	0.00
The Board of Management of Permanent Cemeteries	0.00	0.00	0.00	0.00
	<u>5,218,214.87</u>	<u>1,069,657.98</u>	<u>4,951,342.71</u>	<u>889,285.46</u>

The Association of Evangelical Free Churches of Hong Kong

Balance Sheet as at 31st March 2013

(Expressed in Hong Kong Dollars)

Notes To The Accounts

7 Cash and cash equivalents

	2013		2012	
	Subvented Units HK\$	Financing Units HK\$	Subvented Units HK\$	Financing Units HK\$
Cash and bank balances	<u>8,758,754.85</u>	<u>789,863.86</u>	<u>8,112,237.96</u>	<u>1,436,626.99</u>

8 Accounting Estimates and Judgements

(a) Key sources of estimation uncertainty

In the process of applying the Association's accounting policies, management has made no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet dated, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical accounting judgement in applying the Company's accounting policies

There were no critical accounting judgements in applying the Company's accounting policies.

9 Reclassification of accounts

The comparative figures have been re-classified to conform with the current year presentation.

10 Approval of Accounts

The accounts on pages 1 to 10 have been approved by the Standing Committee on 29 October 2013