

BRANCHES OF HOPE LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

何凌李會計師事務所有限公司
HOOSANG, LYN, LI & CO. LTD.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

BRANCHES OF HOPE LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting to members their annual report together with the audited financial statements of Branches of Hope Limited ("the Company") for the year ended 30 September 2021.

Principal activities

The principal activities of the Company are to advance the Christian Gospel and to provide relief and assistance to the underprivileged in the community.

Directors

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

Kam Hung Yip	(Resigned on 29 November 2021)
Clifford Po Wah Ma	
Susanna Christine Lynam	(Resigned on 29 November 2021)
Chui Yiu Trudy Tam	
Tafadzwa Juli-Ann Moyo	(Appointed on 29 November 2021)

In accordance with Article 39 of the Company's Articles of Association, all existing directors will retire at the forthcoming annual general meeting and deemed to have been re-elected.

Directors' interest in transactions, arrangements or contracts

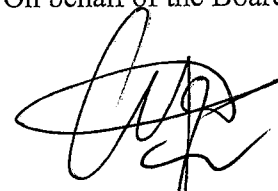
No transaction, arrangement or contract of significance to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Auditors

Hoosang, Lyn, Li & Co. Ltd. retire and, being eligible, offer themselves for re-appointment.

A resolution for the re-appointment of Hoosang, Lyn, Li & Co. Ltd. as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board



Chui Yiu Trudy Tam
Chairman

HONG KONG, 3 May 2022

何凌李會計師事務所有限公司

HOOSANG, LYN, LI & CO. LTD.

Certified Public Accountants

10th Floor, Chun Wo Commercial Centre, No. 23-29 Wing Wo Street, Central, Hong Kong.

香港中環永和街23-29號俊和商業中心10樓

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRANCHES OF HOPE LIMITED

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

Opinion

We have audited the financial statements of Branches of Hope Limited ("the Company") set out on pages 5 to 15, which comprise the statement of financial position as at 30 September 2021, and the income statement 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 Company are prepared, in all material respects, in accordance with the Hong Kong 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 directors are responsible for the other information. The other information comprises the information included in the directors' report, 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.

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.

何凌李會計師事務所有限公司**HOOSANG, LYN, LI & CO. LTD.**

Certified Public Accountants

10th Floor, Chun Wo Commercial Centre, No. 23-29 Wing Wo Street, Central, Hong Kong.
香港中環永和街23-29號俊和商業中心10樓**INDEPENDENT AUDITOR'S REPORT (continued)****TO THE MEMBERS OF BRANCHES OF HOPE LIMITED**

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

Responsibilities of Directors for the Financial Statements

The directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. Our 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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INDEPENDENT AUDITOR'S REPORT (continued)

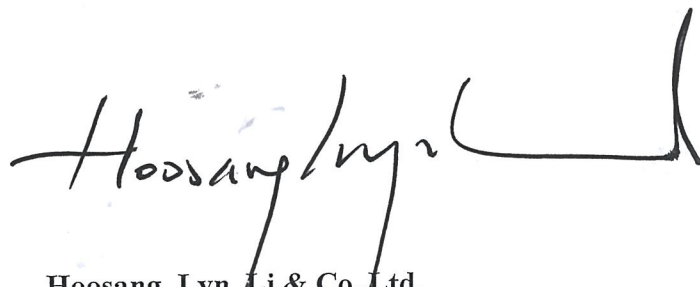
TO THE MEMBERS OF BRANCHES OF HOPE LIMITED

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.

We communicate with the directors 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.



Hoosang, Lyn, Li & Co. Ltd.
Certified Public Accountants
Hong Kong, 3 May 2022

Kam Ka Woo Annie
Practising Certificate Number P03098

BRANCHES OF HOPE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	<u>Note</u>	2021 HK\$	2020 HK\$
Revenue	3	10,961,390	10,620,934
Other income	4	269,603	466,967
Administrative and general expenses		(2,547,158)	(1,908,970)
Project expenses		(7,653,707)	(8,426,110)
Campaigns & Events expenses		(93,332)	(52,373)
Surplus before taxation	5, 7	<u>936,796</u>	<u>700,448</u>
Income tax	8	-	-
Surplus income for the year before transfer		<u><u>936,796</u></u>	<u><u>700,448</u></u>
Transfer to/(from)	7		
Designated funds		662,553	(1,097,533)
Project funds		536,230	1,429,824
General Fund		(261,987)	368,157
		<u><u>936,796</u></u>	<u><u>700,448</u></u>

The notes on pages 8 to 15 form part of these financial statements.

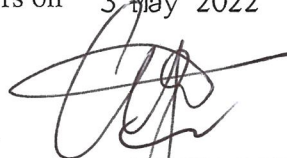
BRANCHES OF HOPE LIMITED

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2021

	<u>Note</u>	2021 HK\$	2020 HK\$
ASSETS			
Current assets			
Bank balance and cash		4,057,371	3,392,645
Deposits, prepayments and other receivable	9	371,900	1,095,964
		<u>4,429,271</u>	<u>4,488,609</u>
Non-current assets			
Property, plant and equipment	10	-	-
		<u>-</u>	<u>-</u>
Total assets		<u>4,429,271</u>	<u>4,488,609</u>
LIABILITIES			
Current liabilities			
Other payables and accruals		20,367	22,620
Deferred income	11	46,890	1,069,135
Amount due to a related organization	12	28,364	-
Total liabilities		<u>95,621</u>	<u>1,091,755</u>
FUNDS			
Designated funds	13	2,276,794	1,527,798
Project funds		1,497,323	1,047,536
General fund		559,533	821,520
Total funds		<u>4,333,650</u>	<u>3,396,854</u>
Total liabilities and funds		<u>4,429,271</u>	<u>4,488,609</u>

Approved and authorised for issue by the Board of directors on 3 May 2022


 Tafadzwa Juli-Ann Moyo
 Director


 Chui Yiu Trudy Tam
 Director

The notes on pages 8 to 15 form part of these financial statements.

BRANCHES OF HOPE LIMITED

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Project Funds		Sub-total	Designated Funds			Sub-total	General Fund	Total Funds
	ROAD	STOP		ROAD	STOP	YSWP			
	HK\$	HK\$		Fund	Fund	Fund			
At 1 October 2019	(381,506)	735,014	353,508	1,506,378	211,205	171,952	1,889,535	453,363	2,696,406
Transfer from/(to) income statement for the year	323,562	1,106,262	1,429,824	(233,850)	(947,001)	83,318	(1,097,533)	368,157	700,448
Inter-fund transfer	-	(735,796)	(735,796)	-	735,796	-	735,796	-	-
At 30 September 2020 and 1 October 2020	(57,944)	1,105,480	1,047,536	1,272,528	-	255,270	1,527,798	821,520	3,396,854
Transfer from/(to) income statement for the year	442,091	94,139	536,230	633,919	(86,443)	115,077	662,553	(261,987)	936,796
Inter-fund transfer	-	(86,443)	(86,443)	-	86,443	-	86,443	-	-
At 30 September 2021	<u>384,147</u>	<u>1,113,176</u>	<u>1,497,323</u>	<u>1,906,447</u>	<u>-</u>	<u>370,347</u>	<u>2,276,794</u>	<u>559,533</u>	<u>4,333,650</u>

Note: ROAD fund is fund donated specifically for refugees and school opportunities for adults and children.

STOP fund is fund donated specifically for stopping human trafficking project.

YSWP fund is grants received for Youth Sex Worker Anti trafficking.

Project funds are funds raised for ROAD and STOP projects.

BRANCHES OF HOPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021****1 General information**

Branches of Hope Limited ("the Company") was incorporated under the laws of Hong Kong as a non-private company limited by guarantee and not having a share capital. The registered office of the Company is located at 29 Burrows Street, Wanchai, Hong Kong.

Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member, or within one year afterwards, such amount as may be required not exceeding one hundred dollars. The Company qualifies for the reporting exemption as a small company limited by guarantee under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

The Company is a non-profit making organisation and its activities are to advance the Christian Gospel and to provide relief and assistance to the underprivileged in the community.

2 Summary of significant accounting policies**2.1 Basis of preparation**

These financial statements have been prepared in accordance with the SME-FRS issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. They have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern. The measurement basis used in the preparation of the financial statements is historical cost basis.

2.2 Foreign currencies

The reporting currency of the Company is Hong Kong dollars, which is the currency of the primary economic environment in which the Company operates. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the end of reporting date. Exchange gains and losses are recognised in income statement.

2.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental benefits to the Company. The carrying amounts of replaced part is derecognised. All other repairs and maintenance are charged to income statement during the period in which they are incurred.

BRANCHES OF HOPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021****2 Summary of significant accounting policies (continued)****2.3 Property, plant and equipment**

Property, plant and equipment with cost of HK\$4,999 or less is charged to income statement immediately during the year of purchase.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Furniture, fixtures and equipment	3-5 years
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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the retirement or disposal are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal.

2.4 Related parties

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

BRANCHES OF HOPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021****2 Summary of significant accounting policies (continued)****2.4 Related parties (continued)**

(b) An entity is related to the Company if any of the following conditions applies:

- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

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.

2.5 Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. When the payment of a debt becomes doubtful, a provision is made and charged to income statement.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

2.7 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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, whose 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.

2.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in income statement as follows:

- i) Donations and offerings
Donations and offerings income are recognised when received from contributors.
- ii) Interest income
Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest rate applicable.
- iii) Other income
Other income is recognised as received.

BRANCHES OF HOPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**3 Revenue**

The category of revenue recognising during the year is as follows:

	2021	2020
	HK\$	HK\$
General donation and offerings	1,671,634	2,188,591
Donation for projects	3,924,848	4,795,534
Designated donations	4,730,806	3,606,194
Campaigns & Events	634,102	30,615
	<u>10,961,390</u>	<u>10,620,934</u>

4 Other income

	2021	2020
	HK\$	HK\$
Employment Support Subsidy	219,038	453,268
Bank interest income	65	915
Sundry Income	3,000	5,540
Exchange gain	47,500	7,244
	<u>269,603</u>	<u>466,967</u>

5 Surplus before taxation

	2021	2020
	HK\$	HK\$
Surplus before taxation is arrived at after charging:		
Staff costs:		
Wages and salaries	4,343,718	4,676,669
MPF	159,444	164,757
Staff medical expenses	79,235	177,535
	<u>4,582,400</u>	<u>4,958,961</u>

6 Directors' remuneration

Directors' remuneration 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 is as follows:

	2021	2020
	HK\$	HK\$
Directors' fees	-	-
Salaries and benefits in kinds	-	-
Retirement scheme contributions	-	-
Discretionary bonuses	-	-
	<u>-</u>	<u>-</u>

BRANCHES OF HOPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Analysis of surplus by function

2021

	Designated funds				Sub-total	Project funds		Sub-total	General Fund	Total
	ROAD	STOP	YSWP	HK\$		ROAD	STOP			
Income	4,435,685	79,400	215,721	4,730,806	2,678,888	1,245,960	3,924,848	1,671,634	10,327,288	
Other income	-	-	-	-	154,636	54,200	208,836	694,869	903,705	
Expenses	(3,801,766)	(165,843)	(100,644)	(4,068,253)	(2,391,433)	(1,206,021)	(3,597,454)	(2,628,490)	(10,294,197)	
Surplus/(deficit) for the year	<u>633,919</u>	<u>(86,443)</u>	<u>115,077</u>	<u>662,553</u>	<u>442,091</u>	<u>94,139</u>	<u>536,230</u>	<u>(261,987)</u>	<u>936,796</u>	

2020

Income	2,612,418	380,703	613,073	3,606,194	3,793,568	1,001,966	4,795,534	2,188,591	10,590,319
Other income	-	-	-	-	290,822	104,440	395,262	102,320	497,582
Expenses	(2,846,268)	(1,327,704)	(529,755)	(4,703,727)	(3,760,828)	(144)	(3,760,972)	(1,922,754)	(10,387,453)
Surplus/(deficit) for the year	<u>(233,850)</u>	<u>(947,001)</u>	<u>83,318</u>	<u>(1,097,533)</u>	<u>323,562</u>	<u>1,106,262</u>	<u>1,429,824</u>	<u>368,157</u>	<u>700,448</u>

BRANCHES OF HOPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**8 Taxation**

The Company is a charitable institution within the meaning of section 88 of the Inland Revenue Ordinance and accordingly, it is exempted from all Hong Kong taxes.

9 Deposits, prepayment and other receivable

	2021	2020
	HK\$	HK\$
Utility deposit	6,200	6,200
Advance payment	365,700	419,732
Employment subsidy receivable	-	111,418
Amount due from a related organisation (Note 12)	-	558,614
	<u>371,900</u>	<u>1,095,964</u>

10 Property, plant and equipment

	Furniture and equipment
	HK\$
Cost	
At 1 October 2020	<u>150,883</u>
At 30 September 2021	<u>150,883</u>
Accumulated depreciation	
At 1 October 2020	<u>150,883</u>
At 30 September 2021	<u>150,883</u>
Net book value	
At 30 September 2021	<u>-</u>
At 30 September 2020	<u>-</u>

BRANCHES OF HOPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**11 Deferred income**

An analysis of deferred income is as follows:

	2021	2020
	HK\$	HK\$
Grant income		
- Youth Sex Worker Anti-trafficking	-	65,652
- Asylum seekers and refugees	-	161,148
- Food relief program	-	121,200
- Refugee Opportunity and Development	-	300,000
- Ladies Group/Covid-19 recovery	-	30,000
- CWM/Nethersole Fund (ARISE Project)	34,381	-
- Charity Football Tournament	12,509	-
Donation income		
- Refugee Opportunity And Development	-	391,135
	<u>46,890</u>	<u>1,069,135</u>

12 Amount due from/(to) a related organization

	2021	2020
	HK\$	HK\$
The Vine Church Limited	<u>(28,364)</u>	<u>558,614</u>

The amount is unsecured, interest free and repayable on demand.

13 Funds

The opening and closing balances of each of the category of funds are set out in the statement of changes in funds on page 7.

14 Related party transactions

In addition to the balances disclosed elsewhere in the financial statements, the Company also had the following transactions during the year in the normal course of business.

	2021	2020
	HK\$	HK\$
i) Key managerial staff remuneration		
- Salary and benefits	<u>748,172</u>	<u>727,212</u>
ii) Donation income received from The Vine Church Limited	<u>3,600,000</u>	<u>3,600,000</u>
iii) Office utility and administrative charges paid to The Vine Church Limited	<u>1,063,655</u>	<u>1,452,040</u>

Clifford Po Wah Ma is director of The Vine Church Limited.

BRANCHES OF HOPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

15 Comparative figures

Paypal receivables of \$70,067 in last year have been reclassified to bank balance and cash in current year to present the proper nature of the paypal as cash balance.