

CHINA EVANGELISTIC MISSION LIMITED
中華福音使命團有限公司

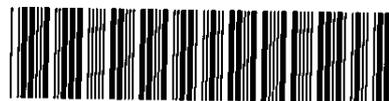
2021

COUNCILLORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2021
二零二一年度至三月三十一日之執行委員報告及財務報表



W. H. WONG & CO. (CPA)

黃永漢會計師事務所



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CHINA EVANGELISTIC MISSION LIMITED

REPORT OF THE COUNCILLORS

The councillors have pleasure in submitting their annual report and audited financial statements for the year ended 31st March, 2021.

PRINCIPAL PLACE OF BUSINESS

China Evangelistic Mission Limited is a company incorporated and domiciled in Hong Kong with limited liability and has its registered office and principal place of business at Unit A, 12/F, Kings Tower, 111 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES

The Association continues to propagate and disseminate the Gospel of Holy Bible to the unreached people group.

BUSINESS REVIEW

The Association is exempted from preparing a business review because it falls within the reporting exemption of Section 388(3) of the Companies Ordinance (Cap. 622).

FINANCIAL STATEMENTS

The income statement of the Association for the year ended 31st March, 2021 and the Association's financial position at that date are set out in the financial statements on pages 7 to 19.

FIXED ASSETS

Particulars of movement of fixed assets during the year are shown in note 7 to the financial statements.

COUNCILLORS

The councillors during the year were :-

So Kim Ping
Lam Choi Ping
Kwan Tai Nam
Cheung Shou Kuen (Resigned on 31st December, 2020)
Ling Mong Kei
Tse Yuen Ching
Tang Yee Kwan
Tse Lai Yung Esther
Wong Ting Tak Raymond
Wong Yiu Eddie (Appointed on 1st January, 2021)

CHINA EVANGELISTIC MISSION LIMITED

REPORT OF THE COUNCILLORS (CONT'D)

COUNCILLORS (CONT'D)

There being stated in Clause 23 of the Articles of Association, all councillors in office retire, and being eligible, offer themselves for re-election.

COUNCILLORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Association was a party and in which a councillor had a material interest subsisted at the end of the year or at any time during the year.

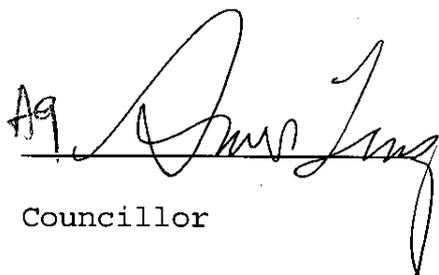
ARRANGEMENTS TO ACQUIRE DEBENTURES

At no time during the year was the Association a party to any arrangements to enable the councillors of the Association to acquire benefits by means of the acquisition of debentures of the Association or any other body corporate.

AUDITORS

The Association's Auditor, W. H. Wong and Company, Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

By Order of the Executive Council

A9 

Councillor

Hong Kong, 9th September, 2021.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHINA EVANGELISTIC MISSION LIMITED
(Incorporated in Hong Kong with limited guarantee)

OPINION

We have audited the financial statements of China Evangelistic Mission Limited (the "Association") set out on pages 7 to 19, which comprise the statement of financial position as at 31st March, 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 Association 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 Association 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 councillors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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.

INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF CHINA EVANGELISTIC MISSION LIMITED
(Incorporated in Hong Kong with limited guarantee)

RESPONSIBILITIES OF COUNCILLORS AND THOSE CHARGED WITH GOVERNANCE FOR THE
FINANCIAL STATEMENTS

The councillors 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 councillors 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 councillors are responsible for assessing the Association'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 councillors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA 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.

INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF CHINA EVANGELISTIC MISSION LIMITED
(Incorporated in Hong Kong with limited guarantee)

AUDITOR'S RESPONSIBILITY (CONT'D)

As part of an audit in accordance with HKSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

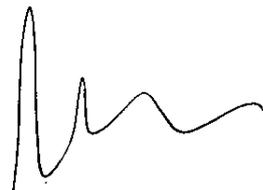
1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.
2. 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 Association's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councillors.
4. Conclude on the appropriateness of the councillors' 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 Association'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 Association to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF CHINA EVANGELISTIC MISSION LIMITED
(Incorporated in Hong Kong with limited guarantee)

AUDITOR'S RESPONSIBILITY (CONT'D)

5. 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.



W. H. Wong and Company
Certified Public Accountants

Unit 6, 16/F.,
Enterprise Square Three,
39 Wang Chiu Road,
Kowloon Bay,
Hong Kong

Hong Kong, 10th September, 2021.

CHINA EVANGELISTIC MISSION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>INCOME</u>			
Donations received	3b	\$ 3,046,544	\$ 3,111,341
Designated donations for missionaries	3b	11,492,600	11,913,845
Interest income		21,885	42,502
		-----	-----
		\$ 14,561,029	\$ 15,067,688
		-----	-----
<u>EXPENDITURE</u>			
Salaries and allowances		\$ 6,634,185	\$ 6,723,306
Provident Fund	3c	667,517	718,526
Operating expenses	5	7,490,965	7,321,467
		-----	-----
		\$ 14,792,667	\$ 14,763,299
		-----	-----
(DEFICIT) / SURPLUS FOR THE YEAR	4	\$ (231,638)	\$ 304,389
		=====	=====

There were no changes in equity other than the net deficit for the year stated above.

The notes on pages 10 to 19 form part of these financial statements.

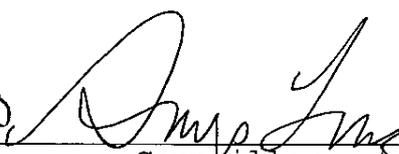
CHINA EVANGELISTIC MISSION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

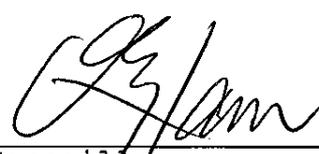
	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS AND LIABILITIES :-</u>			
<u>NON-CURRENT ASSET</u>			
Property, plant and equipment	3a&7	\$ 12,266,714	\$ 12,757,382
		-----	-----
<u>CURRENT ASSETS</u>			
Deposits and prepayment		\$ 49,027	\$ 157,767
Amount due from affiliated association		28,161	-
Cash at bank and in hand		12,412,211	15,908,310
		-----	-----
		\$ 12,489,399	\$ 16,066,077
		-----	-----
<u>LESS : CURRENT LIABILITIES</u>			
Accounts payable		\$ 555,778	\$ 942,829
Temporary receipts		3,172,924	6,662,474
Amount due to affiliated association		143,842	102,949
		-----	-----
		\$ 3,872,544	\$ 7,708,252
		-----	-----
<u>NET CURRENT ASSETS</u>		<u>\$ 8,616,855</u>	<u>\$ 8,357,825</u>
		-----	-----
<u>NET ASSETS</u>		<u>\$ 20,883,569</u>	<u>\$ 21,115,207</u>
		=====	=====

The notes on pages 10 to 19 form part of these financial statements.

CHINA EVANGELISTIC MISSION LIMITED
STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>REPRESENTED BY :-</u>			
GENERAL RESERVE			
Balance brought forward		\$ (91,897)	\$ (69,462)
Transfer to designated funds		(204,386)	(326,824)
(Deficit) / surplus for the year		(231,638)	304,389
		-----	-----
Balance carried forward		\$ (527,921)	\$ (91,897)
Publish Fund	8	394,830	384,492
Education Fund	9	151,470	193,707
Mission Reserve Fund	10	907,462	860,752
Thailand Ministry Fund	11	1,884	1,884
Myanmar Ministry Fund	12	914,310	802,307
Cambodia Ministry Fund	13	236,432	214,906
Pastor Ministry Fund	14	43,423	43,423
Ethiopia Ministry Fund	15	109,131	94,010
Panama Ministry Fund	16	29,213	6,300
Mission Development Fund	17	950,275	950,275
Cambodia Joseph Fund	18	453,687	439,000
Taiwan Ministry Fund	19	5,015	5,015
South Africa Ministry Fund	20	5,531	5,531
Kyrgyzstan Ministry Fund	21	28,536	25,211
Accumulated Office Fund	22	17,173,396	17,173,396
Medical Short-term Missionary Fund	23	6,895	6,895
		-----	-----
		\$ 20,883,569	\$ 21,115,207
		=====	=====

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Councillor

B5 
Councillor

The notes on pages 10 to 19 form part of these financial statements.

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

1. GENERAL

The Association is registered under the Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital.

2. BASIS OF PREPARATION

The Association qualifies for the reporting exemption as small guarantee companies 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.

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

The measurement basis used in the preparation of the financial statements is the historical cost basis.

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted are as follows :-

(a) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

(Expressed in Hong Kong dollars)

3. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(a) Property, plant and equipment (Cont'd)

Depreciation is calculated using the straight-line method to write down their costs to their residual values over their estimated useful lives. The principal annual rates are as follows:

Leasehold land and building	50 years or the unexpired term of lease, if any and shorter
Furniture and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(b) Revenue recognition

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

Income is recognized only when the money has been actually received by the Association.

Designated donations for missionaries are recognized as income when the amounts have been received from the donors and the related expenditure is charged to income statement. Designated donations for missionaries are recognized as temporary receipts when the amounts have been received from the donors but the related expenditure has not been incurred. Transfers from the temporary receipts to income are recognized when the related expenditure is incurred and charged to income statement.

(c) Retirement benefits cost

The Association participates in defined contribution plans and pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. The Association has no further payment obligations once the contributions have been paid. The contributions payable to the Association's defined contribution plans are charged to the income statement as incurred.

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
 (Expressed in Hong Kong dollars)

4. (DEFICIT) / SURPLUS FOR THE YEAR

(Deficit) / surplus for the year has been arrived at after charging/(crediting) the followings :-

	<u>2021</u>	<u>2020</u>
Depreciation	\$ 490,668	\$ 490,668
Auditor's remuneration	18,000	18,000
Interest income	(21,885)	(42,502)
	=====	=====

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

5. OPERATING EXPENSES

	<u>2021</u>	<u>2020</u>
Auditor's remuneration	\$ 18,000	\$ 18,000
Bank charges	4,040	4,111
Building management fee	128,436	140,112
Computer expenses	176,242	188,465
Depreciation	490,668	490,668
Electricity and water	24,613	40,461
Gifts and entertainment	4,700	8,291
Insurance	12,316	10,741
Local travelling	700	1,509
Magazines and periodicals	4,994	145
Membership fees	2,000	2,000
Mission expenses	5,357,060	5,156,691
Missionary allowance	-	323,904
Overseas travelling	-	5,150
Postage, stamps and remittance charges	42,207	83,023
Printing and stationery	48,843	58,386
Promotion fee	50,415	44,135
Rent and rates	49,120	60,409
Repairs and maintenance	47,480	101,548
Staff training	200	1,000
Staff welfare	874,406	495,579
Sundry expenses	76,764	8,039
Telephone and fax	17,761	19,100
Donation Paid	60,000	60,000
	-----	-----
	\$ 7,490,965	\$ 7,321,467
	=====	=====

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

6. COUNCILLORS' REMUNERATION

Councillors' remuneration disclosed pursuant to the Companies Ordinance is as follows :-

	<u>2021</u>	<u>2020</u>
Councillors' fees	\$ -	\$ -
Other emoluments	-	-
	-----	-----
	\$ -	\$ -
	=====	=====

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Land and building</u>	<u>Furniture and equipment</u>	<u>Total</u>
COST :-			
At 1.4.2020 and 31.3.2021	\$17,173,396	\$ 1,246,682	\$ 18,420,078
Disposal	-	(1,246,682)	(1,246,682)
	-----	-----	-----
	\$17,173,396	\$ -	\$ 17,173,396
	=====	=====	=====
LESS ACCUMULATED DEPRECIATION :-			
At 1.4.2020	\$ 4,416,014	\$ 1,246,682	\$ 5,662,696
Charge for the year	490,668	-	490,668
Disposal	-	(1,246,682)	(1,246,682)
	-----	-----	-----
At 31.3.2021	\$ 4,906,682	\$ -	\$ 4,906,682
	=====	=====	=====
NET BOOK VALUE :-			
At 31.3.2021	\$12,266,714	\$ -	\$ 12,266,714
	=====	=====	=====
At 31.3.2020	\$12,757,382	\$ -	\$ 12,757,382
	=====	=====	=====

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

8. PUBLISH FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 384,492	\$ 369,192
Transfer from General Reserve	10,338	15,300
	-----	-----
Balance carried forward	\$ 394,830	\$ 384,492
	=====	=====

9. EDUCATION FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 193,707	\$ 109,666
Transfer (to)/ from General Reserve	(42,237)	84,041
	-----	-----
Balance carried forward	\$ 151,470	\$ 193,707
	=====	=====

10. MISSION RESERVE FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 860,752	\$ 839,337
Transfer from General Reserve	46,710	21,415
	-----	-----
Balance carried forward	\$ 907,462	\$ 860,752
	=====	=====

11. THAILAND MINISTRY FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward and carried forward	\$ 1,884	\$ 1,884
	=====	=====

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
 (Expressed in Hong Kong dollars)

12. MYANMAR MINISTRY FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 802,307	\$ 632,123
Transfer from General Reserve	112,003	170,184
	-----	-----
Balance carried forward	\$ 914,310	\$ 802,307
	=====	=====

13. CAMBODIA MINISTRY FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 214,906	\$ 172,918
Transfer from General Reserve	21,526	41,988
	-----	-----
Balance carried forward	\$ 236,432	\$ 214,906
	=====	=====

14. PASTOR MINISTRY FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 43,423	\$ 36,970
Transfer from General Reserve	-	6,453
	-----	-----
Balance carried forward	\$ 43,423	\$ 43,423
	=====	=====

15. ETHIOPIA MINISTRY FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 94,010	\$ 125,567
Transfer from / (to) General Reserve	15,121	(31,557)
	-----	-----
Balance carried forward	\$ 109,131	\$ 94,010
	=====	=====

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

16. PANAMA MINISTRY FUND

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 6,300	\$ 6,300
Transfer from General Reserve	22,913	-
	-----	-----
Balance carried forward	\$ 29,213	\$ 6,300
	=====	=====

17. Mission Development Fund

	<u>2021</u>	<u>2020</u>
Balance brought forward and carried forward	\$ 950,275	\$ 950,275
	=====	=====

18. Cambodia Joseph Fund

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 439,000	\$ 420,000
Transfer from General Reserve	14,687	19,000
	-----	-----
Balance carried forward	\$ 453,687	\$ 439,000
	=====	=====

19. Taiwan Ministry Fund

	<u>2021</u>	<u>2020</u>
Balance brought forward and carried forward	\$ 5,015	\$ 5,015
	=====	=====

20. South Africa Ministry Fund

	<u>2021</u>	<u>2020</u>
Balance brought forward and carried forward	\$ 5,531	\$ 5,531
	=====	=====

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

21. Kyrgyzstan Ministry Fund

	<u>2021</u>	<u>2020</u>
Balance brought forward	\$ 25,211	\$ 25,211
Transfer from General Reserve	3,325	-
	-----	-----
Balance carried forward	\$ 28,536	\$ 25,211
	=====	=====

22. Accumulated Office Fund

	<u>2021</u>	<u>2020</u>
Balance brought forward and carried forward	\$ 17,173,396	\$ 17,173,396
	=====	=====

23. Medical Short-term Missionary Fund

	<u>2021</u>	<u>2020</u>
Balance brought forward and carried forward	\$ 6,895	\$ 6,895
	=====	=====

CHINA EVANGELISTIC MISSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in Hong Kong dollars)

24. TAXATION

The Association is exempted from Hong Kong Profits Tax under the provision of Section 88 of the Inland Revenue Ordinance.

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Executive Council of Councillors on 9th September, 2021.