

BETHANY MINISTRIES LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2020



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BETHANY MINISTRIES LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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BETHANY MINISTRIES LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements for the year ended December 31, 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision, promotion and development of retreat and pastoral care facilities.

THE STATE OF THE COMPANY'S AFFAIRS AND APPROPRIATIONS

The state of the Company's affairs as at December 31, 2020 are set out in the financial statements on pages 4 to 11.

DIRECTORS

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

IP Wei Kwen	
LONG Andrew Peter	
CHAN Chi-ching Cynthia	(Appointed on January 13, 2020)
VAN DE BELT Geertruida Wilhelmina	(Appointed on January 13, 2020)
LOONG Chui Yiing	(Appointed on May 18, 2020)
TANG Joseph Hei Man	(Appointed on May 18, 2020)
MCINNES Jim	(Resigned on May 18, 2020)

There being no provision in the Company's articles of association for retirement by rotation, all remaining directors continue in office.

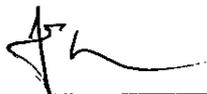
MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

AUDITORS

The financial statements have been audited by Alfred Ho & Co. who retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board



LONG Andrew Peter
Chairman

Hong Kong, August 15, 2021



何祐康： 香港會計師公會及稅務學會資深會員
註冊稅務師、加拿大特許會計師

Alfred Ho: Fellow of HKICPA & TIHK
CTA, CPA (Canada) & CA

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BETHANY MINISTRIES LIMITED**

(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of Bethany Ministries Limited (the "Company") set out on pages 4 to 11, which comprise the statement of financial position as at December 31, 2020, and the statement of income and expenditures, and the 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 of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard (the "SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants (the "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 ("HKSAs") and with reference to PN 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 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 Report of the Directors, 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.

Responsibilities of Directors and Those Charged with Governance 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.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BETHANY MINISTRIES LIMITED**
(Incorporated in Hong Kong with liability limited by guarantee)

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



Alfred Ho & Co.
Certified Public Accountants

Hong Kong, August 15, 2021

BETHANY MINISTRIES LIMITED

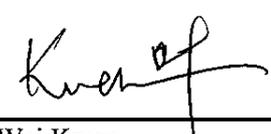
**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	Note	2020 HK\$	2019 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	2	4,119,843	4,344,080
		<u>4,119,843</u>	<u>4,344,080</u>
CURRENT ASSETS			
Deposits, prepayments and other receivables		25,530	70,282
Cash in bank and on hand		786,607	641,312
		<u>812,137</u>	<u>711,594</u>
CURRENT LIABILITIES			
Accruals & other payables		40,390	74,941
		<u>40,390</u>	<u>74,941</u>
NET CURRENT ASSETS			
		<u>771,747</u>	<u>636,653</u>
NET ASSETS			
		<u>4,891,590</u>	<u>4,980,733</u>
REPRESENTING:			
General Fund	3	2,498,854	2,519,773
Bethany Lodge Building Fund	4	2,392,736	2,460,960
		<u>4,891,590</u>	<u>4,980,733</u>

Approved by the Board of Directors on August 15, 2021,



LONG Andrew Peter
Director



IP Wei Kwen
Director

The notes on pages 7 to 11 form an integral part of these financial statements.

BETHANY MINISTRIES LIMITED

**STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 HK\$	2019 HK\$
Revenue & donation income	5	1,164,482	1,215,288
Cost of services		(1,065,724)	(1,347,855)
Other income	5	2	201
Administrative expenses		(119,679)	(94,012)
Net deficit for the year	6	<u>(20,919)</u>	<u>(226,378)</u>

The notes on pages 7 to 11 form an integral part of these financial statements.

BETHANY MINISTRIES LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 HK\$	2019 HK\$
CASH FLOW FROM OPERATING ACTIVITIES			
Net deficit for the year		(20,919)	(226,378)
Adjustment for:			
- Depreciation	2	246,490	275,976
- Loss on disposal of property, plant and equipment	2	-	1,735
- Interest income	5	(2)	(201)
		<u>225,569</u>	<u>51,132</u>
Operating surplus before changes in working capital			
Changes in working capital			
- Decrease / (Increase) in deposits, prepayments and other receivables		44,752	(44,602)
- (Decrease) / Increase in accruals & other payables		(34,551)	5,108
- Decrease in Bethany Lodge Building Fund	4	(68,224)	(68,224)
		<u>167,546</u>	<u>(56,586)</u>
Net cash generated from / (used in) operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(22,253)	(3,330)
Interest received	5	2	201
		<u>(22,251)</u>	<u>(3,129)</u>
Net cash used in investing activities			
NET CASH INFLOW / (OUTFLOW)		145,295	(59,715)
CASH AND CASH EQUIVALENTS			
At beginning of year		641,312	701,027
		<u>786,607</u>	<u>641,312</u>
At end of year			
CASH AND CASH EQUIVALENTS CONSIST OF:			
Cash in bank and on hand		<u>786,607</u>	<u>641,312</u>

The notes on pages 7 to 11 form an integral part of these financial statements.

BETHANY MINISTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

REPORTING ENTITY

Bethany Ministries Limited (the "Company"), a company limited by guarantee not having a share capital, is a registered charitable institution engaged in the provision, promotion and development of retreat and pastoral care facilities. The income and property of the Company, wheresoever derived, is applied solely towards the promotion of the objects set out in the Company's memorandum of association. The Company's funds are not distributable to its members. Every member of the Company undertakes to contribute, if required, an amount not exceeding ten dollars to the assets of the Company in the event of its being wound up.

The registered office of the Company is located at 12 The Peak, Fa Peng Road, Cheung Chau, Hong Kong.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company qualifies for the reporting exemption as a small guarantee company 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 (the "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 Company is a going concern.

The measurement base adopted is the historical cost convention.

The reporting currency of the Company is Hong Kong Dollars, which is the currency of the primary economic environment in which the Company operates.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Building situated on leasehold land	Shorter of unexpired term of lease and their estimated useful lives
Leasehold improvements	5 years
Furniture & equipments	4 to 7 years

(b) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the statement of income and expenditures. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognized for the asset in prior years.

BETHANY MINISTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

(c) 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 overdraft is shown within borrowings in current liabilities on the statement of financial position.

(d) Bethany Lodge Building Fund

The Bethany Lodge Building Fund represents donations for the Bethany Lodge development. Donations to the Bethany Lodge Building Fund are recognized when received and are credited to this specific purpose fund account in the statement of financial position. The Bethany Lodge Fund utilized in the purchase of property, plant and equipment relating to the Bethany Lodge development is included in deferred income and is credited to the statement of income and expenditures over the period necessary to match the expected useful lives of the related assets.

(e) Revenue recognition

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

- i) Donations received for specific purposes are initially deferred and are credited to the respective specific purpose fund accounts in the statement of financial position. They are recognized as donation income in the statement of income and expenditures over the period necessary to match them with the costs they are intended to compensate. Revenue from other donations and group booking fee income is recognized when received.
- ii) Service income is recognized when services are rendered.
- iii) Interest income is recognized on a time proportionate basis, taking into account the principle amounts outstanding and the interest rates applicable.
- iv) Other income is recognized mainly on cash basis.

(f) Employee benefits

Retirement benefit costs

The Company operates a defined contribution Mandatory Provident Fund retirement benefits scheme in Hong Kong (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of income and expenditures as they become payable in accordance with the rules of the MPF Scheme. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

BETHANY MINISTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

(g) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Company are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalized at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of income and expenditures.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the statement of income and expenditures on a straight-line basis over the lease term.

2. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land held for own use under a finance lease HK\$	Building held for own use HK\$	Leasehold improvements HK\$	Furniture & equipments HK\$	Total HK\$
<u>Cost</u>					
At December 31, 2019	1,464,648	4,995,001	1,164,440	313,247	7,937,336
Additions	-	-	-	22,253	22,253
Disposals	-	-	(14,461)	(19,328)	(33,789)
At December 31, 2020	<u>1,464,648</u>	<u>4,995,001</u>	<u>1,149,979</u>	<u>316,172</u>	<u>7,925,800</u>
<u>Accumulated depreciation</u>					
At December 31, 2019	665,883	1,644,703	1,021,872	260,798	3,593,256
Charge for the year	29,293	99,900	86,111	31,186	246,490
Written back on disposal	-	-	(14,461)	(19,328)	(33,789)
At December 31, 2020	<u>695,176</u>	<u>1,744,603</u>	<u>1,093,522</u>	<u>272,656</u>	<u>3,805,957</u>
<u>Net carrying amount</u>					
At December 31, 2020	<u>769,472</u>	<u>3,250,398</u>	<u>56,457</u>	<u>43,516</u>	<u>4,119,843</u>
At December 31, 2019	<u>798,765</u>	<u>3,350,298</u>	<u>142,568</u>	<u>52,449</u>	<u>4,344,080</u>

Depreciation expense of HK\$246,490 (2019: HK\$275,976) has been expensed in the cost of services.

BETHANY MINISTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

3. CHANGES IN GENERAL FUND

	General fund HK\$
Balance at December 31, 2019	2,519,773
Net deficit for the year	(20,919)
Balance at December 31, 2020	<u><u>2,498,854</u></u>

4. BETHANY LODGE FUND

	Bethany Lodge Building Fund HK\$
Balance at January 1, 2019	2,529,184
Income recognized during the year	(68,224)
Balance at December 31, 2019	<u>2,460,960</u>
Income recognized during the year	(68,224)
Balance at December 31, 2020	<u><u>2,392,736</u></u>

5. REVENUE AND OTHER INCOME

	2020 HK\$	2019 HK\$
<u>Revenue & donation income</u>		
Guest donations for accommodation services	594,941	708,765
Bethany Lodge Building Fund	68,224	68,224
Group booking fee income	103,590	314,455
Other donations	388,483	108,370
Sundry sales income	9,244	15,474
	<u><u>1,164,482</u></u>	<u><u>1,215,288</u></u>
<u>Other income</u>		
Interest income	<u><u>2</u></u>	<u><u>201</u></u>

BETHANY MINISTRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

6. NET (DEFICIT) / SURPLUS FOR THE YEAR

Net (deficit) / surplus for the year is stated after charging the following:

	2020 HK\$	2019 HK\$
Depreciation & amortisation	246,490	275,976
Loss on disposal of property, plant and equipment	-	1,735
Operating lease rentals in respect of building	33,000	16,500
Other staff costs	477,734	653,123
	<u>477,734</u>	<u>653,123</u>

7. DIRECTORS' REMUNERATIONS

None of the directors received or will receive any fees or emoluments in respect of their services rendered to the Company during the year (2019: Nil).

8. TAXATION

The Company being a registered charitable institution is exempted from Hong Kong profits tax by virtue of Section 88 of the Hong Kong Inland Revenue Ordinance.

9. COMMITMENTS UNDER OPERATING LEASES

The Company had the following total future minimum lease payments payable under non-cancelable operating leases:

	2020 HK\$	2019 HK\$
Not later than one year	27,500	33,000
Later than one year	-	27,500
	<u>27,500</u>	<u>60,500</u>