

**CHRISTIAN STUDY CENTRE ON CHINESE
RELIGION AND CULTURE LIMITED**

REPORT AND FINANCIAL STATEMENTS

for

THE YEAR ENDED 31 DECEMBER 2020

何麗賢會計師行
STELLA L. Y. HO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG



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CHRISTIAN STUDY CENTRE ON CHINESE RELIGION AND CULTURE LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Association are as follows : -

- 1) To promote ecumenical and interreligious study, dialogue and cooperation, at the local, regional and international levels. It does this in the context of Chinese thought, religion and culture, and in the service of the Chinese and Asian churches.
- 2) To facilities and disseminate theological reflection, study and research.

FINANCIAL RESULTS

The financial results of the Association for the year ended 31 December 2020 and the state of the Association's affairs at that date are set out in the financial statements.

DIRECTORS

The Directors of the Association during the year and up to date of this report are as follows :

Lo Lung Kwong	Yung Chuen Hung	Tang Tat Wing
Pang Suk Man (1)	Lai Tsz Pang	Mak Kam Wah (1)
Ying Fuk Tsang	Kwok Wai Luen	Tam Wai Lun
Lee Kam Keung (1)	Wong Wai Yin, Christina	Chu Yik Yi, Cindy
Yip Ching Wah, Francis	Yip Chi Tsang	Chan Chi Hang
Lau Yee Cheung (2)		

- (1) Resigned on 1 January 2021
(2) Appointed on 1 January 2021

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

OTHER MATTERS

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report and financial statements which would render any amount stated in the financial statements misleading.

AUDITORS

The Association's Financial Statements for the year under review have been audited by Messrs. Stella L. Y. Ho & Company who offer themselves for re-appointment.

HONG KONG,
- 2 NOV 2021

On behalf of the Board


.....
Chairman
Rev. Tang Tat Wing

STELLA L. Y. HO & COMPANY

Certified Public Accountants
Unit 15, 41/F., Hong Kong Plaza,
188 Connaught Road West,
Sai Wan, Hong Kong.

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真 線 話
： 二 二 五 二 〇 〇
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五 五 五 五

香港
商西
業環
中心
諾四
道十
西一
樓八
十八
五號
室

何麗賢會計師行

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHRISTIAN STUDY CENTRE ON CHINESE RELIGION AND CULTURE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020

(incorporated in Hong Kong with company limited by guarantee)

Qualified Opinion

We have audited the financial statements of Christian Study Centre On Chinese Religion And Culture Limited (“the Association”) set out on pages 5 to 16, which comprise the statement of financial position as at 31 December 2020, and the statement of surplus or deficit and other comprehensive income, statement of changes in funds and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of matter described in the Basis for Qualified Opinion section of our report, the financial statements give a true and fair view of the financial position of the Association as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

Bank Confirmation

No direct bank confirmation of Hang Seng Bank Limited is available. We are therefore unable to confirm the balances from the bank and whether there is any contractual obligation and/or contingent liability and pledged security which might affect the assets and liabilities position of the Company at the end of reporting period. Accordingly, we are unable to ascertain to what extent the assets and liabilities position and the result of the effect and whether any disclosure is required as at 31 December 2020.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 qualified opinion.

Information other than the financial statements and auditor's report thereon

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.

- To be continued -

STELLA L. Y. HO & COMPANY

Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHRISTIAN STUDY CENTRE ON CHINESE RELIGION AND CULTURE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020
(incorporated in Hong Kong with company limited by guarantee)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the 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 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 directors 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purposes. We do not assume responsibility towards or accept liability to any other person for the contents of the 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- To be continued -

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHRISTIAN STUDY CENTRE ON CHINESE RELIGION AND CULTURE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020

(incorporated in Hong Kong with 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 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.
- 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.

Report on Other Matters under Section 407(2) and 407(3) of the Hong Kong Companies Ordinance (Cap.622)

In respect alone of the unable to confirm the balances from the banks as described in the *Basis for Qualified Opinion* section of our report above :

- we were unable to determine whether adequate accounting records had been kept; and
- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

Date: - 2 NOV 2021



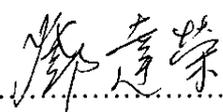
Stella L. Y. Ho & Company
Certified Public Accountants
Ho Lai Yin
Practising Certificate Number P04353

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<u>NON-CURRENT ASSETS</u>			
Financial assets	2	<u>1,516,850.75</u>	<u>1,958,911.65</u>
<u>CURRENT ASSETS</u>			
Stock of Books	1.4d	106,704.60	106,704.60
Cash at Banks :-			
Current Account		24,147.65	9,598.79
Savings Account		93,408.73	163,017.05
(Incl. US\$3,447.38)			
Cash in Hand		<u>748.40</u>	<u>204.50</u>
		<u>225,009.38</u>	<u>279,524.94</u>
<u>LESS : CURRENT LIABILITIES</u>			
Temporary Receipt		33,285.50	33,285.50
Accounts Payable & Accrued Expenses		87,300.00	9,500.00
Receipt in advance		<u>54,326.71</u>	<u>210,473.71</u>
		<u>174,912.21</u>	<u>253,259.21</u>
NET CURRENT (LIABILITIES)		<u>50,097.17</u>	<u>26,265.73</u>
<u>TOTAL NET ASSETS</u>		<u>1,566,947.92</u>	<u>1,985,177.38</u>
<u>FUNDS AND RESERVES</u>			
Accumulated Deficit	3	(2,032,586.96)	(1,988,879.62)
Conference Fund	4	41,624.88	41,624.88
Financial assets revaluation reserve	2	-	374,522.12
Endowment Fund	8	<u>3,557,910.00</u>	<u>3,557,910.00</u>
		<u>1,566,947.92</u>	<u>1,985,177.38</u>

Approved by the Board of Directors on: - 2 NOV 2021

.....

 Chairman
 Rev. Tang Tat Wing

.....

 Director
 Prof. Ying Fuk Tsang

The annexed notes form an integral part of these financial statements.

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	<u>2020</u> HK\$	<u>2019</u> HK\$
<u>INCOME</u>			
Donations Received	5	153,479.70	213,138.10
Bank Interest Received		1.30	267.76
Course Fee		99,547.00	43,710.00
Dividend Received		54,836.61	63,634.05
Membership Fee		4,100.00	1,778.00
Production Charge 《生存與復興—中國基督教口述歷史》		76,606.00	-
Surplus on Publications -			
Ching Feng		1,356.25	51,105.96
Others		13,063.00	23,638.40
Sponsor income 《聖公會荊冕堂五十周年堂史 (1965-2015)》		-	41,878.00
Sponsor income for The Collected Works of Y. T. Wu		156,147.00	33,076.40
Sponsor income 《田野萬象》		-	27,614.00
Sponsor income 《香港基督教女青年會百週年特刊》		-	203,000.00
Sundry Income		88.40	4,825.00
Employment Support Scheme		42,078.00	-
		<u>601,303.26</u>	<u>707,665.67</u>
<u>LESS : EXPENDITURE</u>			
Staff Salaries & Allowances		168,300.00	189,446.33
Mandatory Provident Fund Contribution & Expenses		8,415.00	18,512.50
Exchange Loss		-	192.12
Bank Charges		60.00	260.10
Conference, Seminars and Courses		4,330.00	1,000.00
Furniture & Equipment		-	4,453.55
Scrip Fees		249.50	246.09
Service Charge to Divinity School of Chung Chi College		155,000.00	155,000.00
Printing, Stationery & Computers Expenses		90.00	-
Telephone & Fax		659.00	1,416.00
Insurance		8,417.97	7,218.76
Postage		2,880.00	1,662.70
Newsletters		13,000.00	12,000.00
Expenses on Publications -			
Ching Feng		11,600.00	15,087.50
Others		-	2,880.00
Expenses for 《聖公會荊冕堂五十周年堂史 (1965-2015)》		-	798.57
Expenses for The Collected Works of Y. T. Wu		156,147.00	33,076.40
Expenses for 《田野萬象》		-	20,910.51
Expenses for 《香港基督教女青年會百週年特刊》		34,316.70	250,979.93
Traffic Expenses		32.10	54.70
Audit Fee		9,800.00	9,500.00
Secretarial Fee		3,600.00	8,230.00
Social Charges		490.00	12,318.00
Sundry Expenses		84.55	85.56
		<u>577,471.82</u>	<u>745,329.32</u>
		<u>23,831.44</u>	<u>(37,663.65)</u>
<u>SURPLUS/(DEFICIT) FOR THE YEAR</u>			
<u>OTHER COMPREHENSIVE (DEFICIT)/SURPLUS FOR THE YEAR</u>			
Decrease for revaluation reserve for the year for financial assets		(374,522.12)	(49,325.95)
Expected credit loss for financial assets		(67,538.78)	-
		<u>(442,060.90)</u>	<u>(49,325.95)</u>
<u>TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR</u>		<u>(418,229.46)</u>	<u>(86,989.60)</u>

The annexed Notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS AND RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Accumulated Fund/(deficit)	Conference Fund	Financial Assets Revaluation Reserve	Endowment Fund	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 31 December 2018	(1,951,215.97)	41,624.88	423,848.07	3,557,910.00	2,072,166.98
Total comprehensive (deficit)/surplus:					
(Deficit)/Surplus for the year 2019	(37,663.65)	-	-	-	(37,663.65)
Movement of financial assets revaluation reserves	-	-	(49,325.95)	-	(49,325.95)
Balance at 31 December 2019	(1,988,879.62)	41,624.88	374,522.12	3,557,910.00	1,985,177.38
Total comprehensive (deficit)/surplus:					
(Deficit)/Surplus for the year 2020	23,831.44	-	-	-	23,831.44
Expected credit loss for the year 2020	(67,538.78)	-	-	-	(67,538.78)
Movement of financial assets revaluation reserves	-	-	(374,522.12)	-	(374,522.12)
Balance at 31 December 2020	<u>(2,032,586.96)</u>	<u>41,624.88</u>	<u>-</u>	<u>3,557,910.00</u>	<u>1,566,947.92</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> HK\$	<u>2019</u> HK\$
Cash flows from operating activities		
Surplus/(Deficit) for the year	23,831.44	(37,663.65)
Adjustments for :		
Bank Interest Received	(1.30)	(267.76)
Dividend Received	(54,836.61)	(63,634.05)
	<hr/>	<hr/>
Operating cash flows before working fund changes	(31,006.47)	(101,565.46)
Increase/(Decrease) in Accounts		
Increase/(Decrease) in Payable and Accrued Expenses	77,800.00	(77,500.00)
Decrease in Receipt in advance	(156,147.00)	(33,076.40)
	<hr/>	<hr/>
Net cash outflow from operating activities	<u>(109,353.47)</u>	<u>(212,141.86)</u>
Cash flows from investing activities		
Bank Interest Received	1.30	267.76
Dividend Received	54,836.61	63,634.05
Sales Proceeds for Shares	-	-
	<hr/>	<hr/>
Net cash inflow from investing activities	<u>54,837.91</u>	<u>63,901.81</u>
Cash flows from financing activities	-	-
Net cash inflow from financing activities	<hr/>	<hr/>
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(54,515.56)	(148,240.05)
Cash and cash equivalents at the beginning of the year	<u>172,820.34</u>	<u>321,060.39</u>
Cash and cash equivalents at the end of the year :	<u><u>118,304.78</u></u>	<u><u>172,820.34</u></u>
Cash and bank balances	<u><u>118,304.78</u></u>	<u><u>172,820.34</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1.1 GENERAL INFORMATION

Christian Study Centre On Chinese Religion And Culture Limited is a non-profit making body which was incorporated under the Companies Ordinance on 30 October 1987.

The registered office of the Association is located at G/F., Theology Building, The Chinese University of Hong Kong, Shatin, N. T.

During the year, the Association was involved in the following principal activities.

- a) To promote ecumenical and interreligious study, dialogue and cooperation, at the local, regional and international levels. It does this in the context of Chinese thought, religion and culture, and in the service of the Chinese and Asian churches.
- b) To facilitate and disseminate theological reflection, study and research.

1.2 STATEMENT OF COMPLIANCE

The Association's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. A summary of significant accounting policies is set out in note 1.4.

In the current year, the Association has applied new amendments and interpretation ("new HKFRSs") issued by the HKICPA which are or have become effective.

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared and presented. Accordingly, no prior period adjustment has been required.

1.3 BASIS OF PREPARATION

The financial statements are presented in Hong Kong dollars. The measurement basis used in the preparation of the financial statements is under the historical cost convention, except those financial assets which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1.4 SIGNIFICANT ACCOUNTING POLICIES

a) Financial Assets

In the current year, the Association has applied HKAS32 “Financial instruments : Disclosure and Presentation” and HKAS39 “Financial instruments : Recognition and Measurement”.

The association classifies and measures its securities for long term purpose in accordance with HKAS39. Under HKAS39 financial assets are classified as “available-for-sale financial assets” in financial assets under non-current assets. “Available-for-sale financial assets” are carried at fair value, with changes in fair values recognised as reserve or loss respectively when the fair value is over or under the cost at the year end.

b) Recognition of Income

After the adoption of HKFRS 15, the Association recognises revenue from contracts with customers when (or as) the Association satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Association recognises as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained in accordance with HKFRS 15) that is allocated to that performance obligation. Further details of the Association’s revenue and other income recognition policies are as follows:

Donations, service charge, bank interest, dividend received, surplus on publications (sales of books), conferences, seminars and courses income, membership fee and sundry income are recognized and accounted for on cash basis.

c) Foreign Currency Translation

Foreign currency transaction during the year have been translated into Hong Kong Dollars at the exchange rates approximating those ruling at transaction dates. Monetary foreign currency balances at the end of reporting period are translated at the rates ruling at that date. Differences on foreign currency transactions are dealt with in the statement of surplus or deficit and other comprehensive income.

d) Stock of Books

Stocks are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is determined on the basis of the anticipated sales proceeds less estimated selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1.4 SIGNIFICANT ACCOUNTING POLICIES – (Continued)

e) Employee Benefits

Paid Leave

The Association provides paid annual leave to its employees under the Employment Ordinance. In this year, any leave which remains untaken as at the end of reporting period is carried forward and utilized by the respective employees in the future. No accrual needs to be made at the balance sheet date for the expected future cost of such paid leave earned by the employees.

Employment Ordinance Long Service Payments

At the end of reporting period, the Association's employees have not yet completed the required number of years of service to the Association in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Association is not liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

Mandatory Provident Fund

The Association operates a defined contribution Mandatory Provident Fund Retirement benefits scheme (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 surplus or deficit and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Association in an independently administered fund. The Association's employer contributions vest fully with the employees when contributed into the MPF Scheme.

f) Cash and cash equivalents

For the purpose of the cash flow statements, cash and equivalents comprise cash on hand and demand deposits.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1.4 SIGNIFICANT ACCOUNTING POLICIES – (Continued)

g) Receivables

A receivable is recognised when the Association's right to consideration is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Association has an unconditional right to consideration, the amount is presented as a contract asset. Receivables are stated at amortised cost using the effective interest method less allowance for losses.

A (contract) asset is recognised when the Association recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. (Contract) Assets are assessed for expected credit losses and are reclassified to receivables when the right to the consideration has become unconditional. A contract liability is recognised when the customer pays consideration, or has an unconditional right to consideration (in such case, a corresponding receivable is recognised), before the Association recognises the related revenue.

h) Payables

Payables are recognized initially at fair value and subsequently measured at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. FINANCIAL ASSETS

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Listed Share Investment in Hong Kong held for long term At Cost	<u>1,949,729.53</u>	<u>1,949,729.53</u>
Market value (Fair value)	<u>1,516,850.75</u>	<u>1,958,911.65</u>
Revaluation reserve		
Balance b/f	374,522.12	423,848.07
Less : Reversal of financial assets revaluation reserve for Disposal	-	-
Add : Movement of financial assets revaluation reserve	<u>(374,522.12)</u>	<u>(49,325.95)</u>
Balance c/f	<u>-</u>	<u>374,522.12</u>
Expected credit loss		
Expected credit loss provided	<u>67,538.78</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. ACCUMULATED DEFICIT

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Balance of Deficit, b/f	(1,988,879.62)	(1,951,215.97)
Surplus/(Deficit) for the year	23,831.44	(37,663.65)
Balance of Deficit, c/f	<u>(1,965,048.18)</u>	<u>(1,988,879.62)</u>

4. CONFERENCE FUND

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Confucian & Christian Conference		
Balance of Fund b/f	41,624.88	41,624.88
<u>Add</u> : Receipts	<u>-</u>	<u>-</u>
	41,624.88	41,624.88
<u>Less</u> : Payment	<u>-</u>	<u>-</u>
Balance of Fund c/f	<u>41,624.88</u>	<u>41,624.88</u>

5. DONATIONS RECEIVED

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Donations Received from		
The Methodist Church, Hong Kong	75,850.00	-
YWCA	25,000.00	-
UCC-Wider Church Ministries (USD\$500.00)	3,890.00	3,875.00
Global Ministries USA	-	3,875.00
Rev. Lee King Hung Peter	-	200,500.00
Sundries	48,739.70	4,888.10
	<u>153,479.70</u>	<u>213,138.10</u>

6. EXEMPTION FROM TAXES

The Association is exempted from all taxes under Section 88 of The Inland Revenue Ordinance of Hong Kong and is also exempted from business registration.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

7. DIRECTOR EMOLUMENTS

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-
	<u> -</u>	<u> -</u>
	<u> -</u>	<u> -</u>

8. ENDOWMENT FUND

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Balance, b/f	3,557,910.00	3,557,910.00
Transferred to Accumulated Fund Account	-	-
Balance, c/f	<u>3,557,910.00</u>	<u>3,557,910.00</u>

9. CAPITAL MANAGEMENT

The Association's objectives when managing capital are :

- To safeguard the Association's ability to continue as a going concern, so that it continues to provide returns and benefits for Association;
- To support the Association's stability and growth; and
- To provide capital for the purpose of strengthening the Association's risk management capability.

The Association actively and regularly reviews and manages its capital structure to ensure optimal capital structure and Association's returns and benefit, taking into consideration the future capital requirements of the Association and capital efficiency, projected operating cash flows and projected capital expenditure.

The Association's operation is mainly sourced from Donations, Service Charges for Pastoral Program, Bank Interest Received, Dividend Received, Income from Conferences, Seminars and Course, Membership fee and Surplus on Publications.

The Association is not subject to either internally or externally imposed capital requirements.

As in prior years, the Association monitors capital by reviewing the level of capital that is at the disposal of the Association ("adjusted capital") Adjusted capital comprises all components of accumulated funds/(deficit), excluding financial assets revaluation reserve. The adjusted capital of the Association at 31 December 2020 was HK\$1,566,947.92 (2019 : HK\$1,610,655.26).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

10. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING YEAR ENDED 31 DECEMBER 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2020 and which have not been adopted in these financial statements.

The Association is in the process of marking an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association's results of operations and financial position.

11. FINANCIAL RISK MANAGEMENT

The Association is exposed to various kinds of risks in its operation and financial instruments. The Association's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the Association by closely monitoring the individual exposure as follows :

a) Currency risk

Since HK dollars is pegged to US dollars, there is no significant exposure expected on US dollars transactions and balances.

b) Fair value

All non-current financial assets are carried at amounts materially different from their fair values since 1 January 2020.

c) Liquidity risk

The Association manages its liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient liquid cash to meet the Association's liquidity requirements in the short and long term.

The undiscounted cash flows of financial liabilities for accounts payable and accrued expenses of the Association as at 31 December are analyzed into relevant maturity under within 1 year buckets based on their contractual maturity dates. The details are shown in Note 12.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

12. FINANCIAL INSTRUMENTS

The Association has classified its financial assets in the following categories :

	<u>2020</u>	<u>2019</u>
	<u>Equity securities designated</u>	
	<u>at other comprehensive income</u>	
	HK\$	HK\$
Non-Current Assets (Per Statement of Financial Position)	<u>1,516,850.75</u>	<u>1,958,911.65</u>
	<u>Financial assets at amortised cost</u>	
	HK\$	HK\$
Current Assets (Per Statement of Financial Position)	<u>225,009.38</u>	<u>279,524.94</u>

The Association classified its financial liabilities in the following categories :

	<u>2020</u>	<u>2019</u>
	<u>Financial liabilities at amortised cost</u>	
	HK\$	HK\$
Current Liabilities (Per Statement of Financial Position)	<u>174,912.21</u>	<u>253,259.21</u>