

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

(公教教研中心有限公司)

(Limited By Guarantee And Not Having A Share Capital)

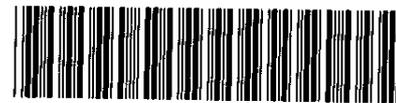
DIRECTORS' REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2020

This is a true copy of 2020 Financial Statement of Catholic Institute for Religion and Society Ltd.



Li Pui Yin, Helen
Secretary



22502128152
AC
30/09/2021

0171881

10018

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

(公教教研中心有限公司)

(Limited By Guarantee And Not Having A Share Capital)

DIRECTORS' REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2020

<u>CONTENTS</u>	<u>PAGE(S)</u>
REPORT OF THE DIRECTORS	1
INDEPENDENT AUDITOR'S REPORT	2-3
INCOME AND EXPENDITURE ACCOUNT	4
STATEMENT OF FINANCIAL POSITION	5
SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES	6-10

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

REPORT OF THE DIRECTORS

(Currency : Hong Kong Dollar)

The directors submit herewith their report together with the audited financial statements of the Catholic Institute For Religion And Society Limited (the "Institute") for the year ended 31st December, 2020.

STATEMENT OF AFFAIRS

The state of affairs of the Institute as at 31st December, 2020 is set out in the statement of financial position on page 5 of the financial statements.

RESULTS

The result of the Institute for the year ended 31st December, 2020 are set out in the income and expenditure account on pages 4 of the financial statements.

DIRECTORS

Following persons were directors of the Institute during the year:

Lee King Chi	(Chairman)
Wong May May	(Deceased on 20/11/2020)
Lau Wing Yin, Cecilia	(Vice-Chairman)
Fung Yin Suen, Ada	
Chu Chung Wah	
Chan Chee Seung	
Cheung Ka Hing, Peter	
Lee Wai Yin	
Hui Tak Fai	
Li Pui Yin, Helen	(Secretary)
Mok Chun Keung, Francis	
Lo Chin Fai, Paul	
Chan Wai Fun, Mabel	

In accordance with article 43 of the Institute's Articles of Association, all of the present directors who being in the office for 2 years, retire and, being eligible, offer themselves for re-election.

HONORARY AUDITORS

A resolution of the re-appointment of Messrs. Francis S. L. Yan & Co., Certified Public Accountants, as honorary auditors of the Institute is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



Lee King Chi
Director

Date: 17th August, 2021

FRANCIS S. L. YAN & CO.

CERTIFIED PUBLIC ACCOUNTANTS

ROOM 101, 1/F, TAK FUNG BUILDING, 79-81 CONNAUGHT ROAD WEST, HONG KONG.

MAIL ADDRESS: G.P.O. BOX 10781, HONG KONG.

TEL: 2543 4393, 2543 8328, 2542 3368 FAX: 2543 5899 E-mail: tkhfsly@netvigator.com

會 忻
計 瑞
師 流
行

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of Catholic Institute For Religion And Society Limited (the "Institute") set out on pages 5 to 11, which comprise the statement of financial position as at 31st December, 2020, 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 Institute 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 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 Institute 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.

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 Institute'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 Institute or to cease operations, or have no realistic alternative but to do so.

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

0020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

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 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 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.

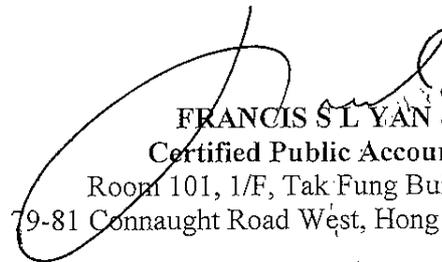
As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Institute'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 Institute'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 Institute to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

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.



FRANCIS S. L. YAN & CO
Certified Public Accountants
Room 101, 1/F, Tak Fung Building,
79-81 Connaught Road West, Hong Kong.

Date: 17th August, 2021

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 2020

(Currency : Hong Kong Dollar)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Income	3	2,488,735.28	2,602,361.96
Promotion of religious education for human and social development		(34,563.60)	(975,922.30)
Employee costs		(1,785,663.12)	(1,430,234.38)
Administrative expenses		(392,005.06)	(280,199.66)
Depreciation	7	<u>(154,902.00)</u>	<u>(145,656.50)</u>
Surplus/(Deficit) for the year	4	121,601.50	(229,650.88)
Income tax expenses		<u>-</u>	<u>-</u>
Net surplus/(deficit) after tax		<u>121,601.50</u>	<u>(229,650.88)</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these Financial Statements.

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

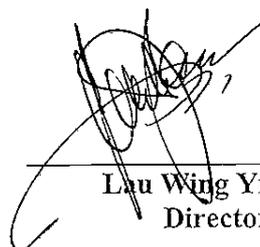
(Currency : Hong Kong Dollar)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Non-current assets			
Property, plant and equipment	7	<u>2,656,650.00</u>	<u>2,762,916.00</u>
Current assets			
Utility deposits and prepayment		19,730.00	16,500.00
Time deposits		20,702.75	20,685.66
Cash at bank and on hand		<u>5,746,621.03</u>	<u>5,481,965.77</u>
		<u>5,787,053.78</u>	<u>5,519,151.43</u>
Current liabilities			
Accruals		(64,006.85)	(23,972.00)
Net current assets		<u>5,723,046.93</u>	<u>5,495,179.43</u>
NET ASSETS		<u>8,379,696.93</u>	<u>8,258,095.43</u>
RESERVES			
Foundation fund	8	<u>2,765,483.18</u>	<u>2,871,749.18</u>
General fund	9	<u>5,614,213.75</u>	<u>5,386,346.25</u>
		<u>8,379,696.93</u>	<u>8,258,095.43</u>

Approved By The Board Of Directors
On 17th August, 2021



Lee King Chi
Director



Lau Wing Yin, Cecilia
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these Financial Statements.

0022

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

(Currency : Hong Kong Dollar)

1. GENERAL INFORMATION

The principal activity of Catholic Institute For Religion And Society Limited (the "Institute") engages principally in promotion of faith and religious formation, religious for human and social development through education, holding of lectures, exhibitions, meetings, conferences, research and other projects according to Catholic principles on non-profit-making basis.

The Institute is a company limited by guarantee and not having a share capital, incorporated and domiciled in Hong Kong. The address of its registered office is 16, 1st Lane, Hing Yan Tsuen, Sheung Shui Village, N.T.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Institute qualifies for the reporting exemption as a small guarantee company under section 359(3)(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 Institute is a going concern.

The measurement base adopted is the historical cost convention.

2.1 Revenue recognition

Revenue is recognised as follows:

Sales of publication are recognised upon cash collection on delivery of goods.

Fees and fund-raising walk are recognised on completion of the "walk" event and collection of relevant donation.

Donations, chapel contribution, sponsorship and bank interest received are recognised on actual receipt basis.

2.2 Property, Plant And Equipment

All land and buildings are recognised at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated at the following annual rates to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis.

Land and buildings	:	2%
Leasehold improvements	:	4%
Plant and equipment	:	100%

The asset's useful lives are reviewed, and adjusted if appropriate, at the end of reporting period.

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

(Currency : Hong Kong Dollar)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.3 Impairment

At the end of each reporting period, the Institute reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expenses immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

2.4 Foundation fund

Donations designated to finance the acquisition of the Institute's land and buildings, as well as leasehold improvements for such premises are not included in the Income and Expenditure Account but credited directly to the Foundation Fund Account since the directors are of the opinion that such accounting treatment presents a fairer view of the capital employed for such exercise.

Any depreciation and impairment loss to the land and buildings and leasehold improvements were charged to Income And Expenditure Account and thereafter absorbed by Foundation Fund.

2.5 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Institute are measured using the currency of the primary economic environment in which the Institute operates (the "functional currency"). The Institute's functional currency and presentation currency are Hong Kong Dollar.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income and expenditure account.

0023

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

(Currency : Hong Kong Dollar)

3. INCOME

Income comprise the following incomes:

	<u>2020</u>	<u>2019</u>
Bank interest earned	909.63	7,437.96
Chapel contribution	393,580.90	796,007.70
Donations received	1,928,522.25	1,522,283.40
Fund-raising walk	164,800.00	265,848.00
Sales of publication	922.50	10,784.90
	<u>2,488,735.28</u>	<u>2,602,361.96</u>

4. SURPLUS/(DEFICIT) FOR THE YEAR

Surplus/(Deficit) for the year is arrived at after charging and crediting the following:

	<u>2020</u>	<u>2019</u>
Charging:		
Depreciation	154,902.00	145,656.50
Directors' emoluments	-	-
Exchange loss	-	5,494.88
	<u> </u>	<u> </u>
And crediting:		
Bank interest received	909.63	7,437.96
Exchange profit	16,778.39	-
	<u> </u>	<u> </u>

5. DIRECTORS' EMOLUMENTS

No emoluments was paid or is payable to directors during the year or at the end of the year. (2019: Nil)

6. INCOME TAX EXPENSES

The Institute has been exempted under Section 88 of the Inland Revenue Ordinance from profits tax by reason of being a charitable institution of a public character.

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

(Currency : Hong Kong Dollar)

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture And Fixtures</u>	<u>Office Equipment</u>	<u>Land and Buildings</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Cost:					
At 31/12/2019	288,063.10	533,313.00	5,313,300.00	1,744,643.20	7,879,319.30
Additions	-	48,636.00	-	-	48,636.00
At 31/12/2020	<u>288,063.10</u>	<u>581,949.00</u>	<u>5,313,300.00</u>	<u>1,744,643.20</u>	<u>7,927,955.30</u>
Accumulated depreciation:					
At 31/12/2019	288,063.10	533,313.00	2,550,384.00	1,744,643.20	5,116,403.30
Charge for the year	-	48,636.00	* 106,266.00	-	154,902.00
At 31/12/2020	<u>288,063.10</u>	<u>581,949.00</u>	<u>2,656,650.00</u>	<u>1,744,643.20</u>	<u>5,271,305.30</u>
Net book value:					
At 31st December, 2020	<u>-</u>	<u>-</u>	<u>2,656,650.00</u>	<u>-</u>	<u>2,656,650.00</u>
At 31st December, 2019	<u>-</u>	<u>-</u>	<u>2,762,916.00</u>	<u>-</u>	<u>2,762,916.00</u>

* Depreciation of \$106,266.00 was firstly charged to income and expenditure account for onward absorption by Foundation Fund. (Note 9)

8. FOUNDATION FUND

	<u>2020</u>	<u>2019</u>
Designated donation in 1996	2,001,727.38	2,001,727.38
Aggregate transfer from general fund in previous years	5,165,049.00	5,165,049.00
	<u>7,166,776.38</u>	<u>7,166,776.38</u>
Aggregate depreciation charged on land and building and leasehold improvements at year end absorbed by Foundation Fund	(4,295,027.20)	(4,188,761.20)
Balance at 31st December, 2019	<u>2,871,749.18</u>	<u>2,978,015.18</u>
Less:		
Depreciation on land and building and leasehold improvements charged to income and expenditure account now absorbed by the Foundation Fund (Note 7)	(106,266.00)	(106,266.00)
Balance at 31st December, 2020	<u>2,765,483.18</u>	<u>2,871,749.18</u>

0024

The fund represents amount employed for acquisition of property and leasehold improvements.

CATHOLIC INSTITUTE FOR RELIGION AND SOCIETY LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

(Currency : Hong Kong Dollar)

9. GENERAL FUND

	<u>Accumulated Surplus</u>
Balance at 31st December, 2018	5,509,731.13
Depreciation on property and leasehold improvements taken up by Foundation Fund	106,266.00
Deficit for the year	<u>(229,650.88)</u>
Balance at 31st December, 2019	5,386,346.25
Depreciation on property and leasehold improvements taken up by Foundation Fund	106,266.00
Surplus for the year	<u>121,601.50</u>
Balance at 31st December, 2020	<u>5,614,213.75</u>

10. APPROVED OF FINANCIAL STATEMENTS

The financial statements on page 5 to 11 have been approved by the board of directors on 17th August, 2021.