

THE HONG KONG BUDDHIST ASSOCIATION

FOR THE YEAR ENDED 31ST MARCH, 2021

**REPORTS
AND
FINANCIAL STATEMENTS**

CONTENTS



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BUSINESS REVIEW

DIRECTORS' REPORT

INDEPENDENT AUDITOR'S REPORT

INCOME STATEMENT

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FUND MOVEMENTS

STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

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THE HONG KONG BUDDHIST ASSOCIATION

BUSINESS REVIEW

香港佛教聯合會董事會
2020-2021年度機構服務及運作審視

弘揚佛法，發展慈善 (服務運作審視)

香港佛教聯合會（佛聯會）成立於一九四五年，是由香港佛教界共同組織而成，董事法師及居士經每年選舉產生。本會聯合香港各大寺院與道場，為最具領導地位，最有代表性及最大規模之佛教慈善及辦學團體。佛聯會創辦宗旨除倡弘佛教信仰外，亦致力推動慈善事業，以福利大眾。本會為非牟利慈善團體，各項服務亦受不同政府部門的監管。在 2020-2021 年度，本會秉持創會宗旨，舉辦了各項活動及向社會大眾提供了各項服務，計有：

弘法活動：因應新型冠狀病毒肆虐全球，本會為保障信眾及工作人員的安全，在舉辦各項弘法活動的同時，依循政府各項防疫法令，做足防疫安全措施，如清明思親法會限制信眾進入各壇。在新環境下，本會大量採用新通訊科技，以網上直播或錄播形式，舉辦佛誕慶祝活動、佛學講座以及各類祈福法會。疫情持續爆發，對市民心境造成嚴重影響。本會作為宗教團體，積極擔起安定人心，淨化心靈的社會角色，先後兩次組織連續廿一天的「佛教界千僧萬眾祛疫祈福大法會」，連結香港及內地各省市佛寺合共 7,000 多位僧眾，集千僧萬眾的力量共同至誠誦經，為中國內地及香港祈福，祈願疫症消除，全民身體健康；染疫離世者早得解脫，往生極樂世界。

醫療服務：香港佛教醫院於 1970 年創建，並於 1991 年加入醫院管理局，服務社會至今已 51 年，為社會大眾提供全人醫治及專業醫護服務，亦關注病者的心理需要及照顧者所需的協助。本會的中醫藥治療服務，於 2020-2021 年度的服務總人次已超越 75,000 人，其中半數有需要的病患人士獲得免費或優惠的治療服務，以紓減病患者的經濟壓力。

在疫情期間，本會屬下香港大學中醫診所暨教研中心(黃大仙區)積極配合政府各項抗疫政策及措施。包括推出「中醫門診特別診療服務」，免費為新型冠狀病毒出院病人提供中醫內科門診、針灸及推拿等復康診療；參與醫管局推行的「住院病人中醫特別診療服務」，委派中醫師到亞洲國際博覽館及北大嶼山醫院香港感染控制中心為確診者提供免費中醫診療服務，以紓緩患者病情和加快康復進度。新型冠狀病毒疫情持續，未來，本會將繼續配合政府及社會各界，積極參與抗疫工作。

教育服務：本會服務社會，以興學育才為起點。會屬學校秉承校訓「明智顯悲」，提供品學兼重的優質教育，致力培育學生終身學習，全人發展。目前辦有津貼中學 12 間、津貼小學 7 間，非牟利幼稚園 7 間及幼兒園 1 間。

THE HONG KONG BUDDHIST ASSOCIATION

BUSINESS REVIEW (Continued)

近年，本會致力在學校推行「佛化德育及價值教育」。今年，本會將佛教理念結合了教育局推展的「十種首要的價值觀和態度」，推廣至會屬中小學，並完成了教師培訓程序。此外，繼會屬中學相繼設立禪修室後，會屬 7 間小學透過本會向匯豐銀行慈善信託基金申請，獲批港幣 230 萬元以作興建禪修室或禪修設施，及設立禪修相關課程，各校禪修設施已於 2021 年內完工，並已開展禪修課程。

兒童及青少年服務：本會屬下佛教青少年團現有會員約二萬人，經常舉辦有益身心之活動及比賽。另位於銅鑼灣之青少年中心，透過多元化活動啟發兒童及青少年研習佛學，及幫助彼等運用佛陀的慈悲和智慧去認識及證悟人生。

安老服務：辦有大型政府津貼護理安老院 1 間，為長者提供日常起居照顧。亦設有 4 間長者中心，為區內長者提供休憩及康樂活動，使老有所為，退而不休。本年度會屬佛教沈馬瑞英護理安老院得到匯豐銀行慈善信託基金資助，啟動「認知無障礙計劃」，為安老院進行認知障礙症長者設施改善工程。設計上加入現實導向元素，以加強院友認知訓練。如各房間配以不同主題圖案及顏色，讓院友容易辨認；改建飯堂為「懷舊餐廳」、增設主題牆及在每層設活動室以免移動長者。工程還包括為七十多位長期卧床的長者設獨立專用的顯示屏。以上優化為院友提供一個更合適的居住環境，安享晚年。

營地服務：本年度陳馬美玉紀念康樂營成為教育局指定「戶外教育營計劃」之營地，藉以可以倡導「正向動歷訓練」的團隊和運動精神，培養學生們的正向價值觀。而在 2021 年 2 月，營地更獲得民政事務總署牌照事務處發出「賓館（渡假營）」牌照。

墳場服務：香港佛教墳場位於柴灣歌連臣角道，於 1960 年建成，是一所受食環署監管之私營墳場，向本會會員提供先人安葬、骨灰安奉及紀念蓮位等服務。

國際及公關事務：本會與其它地區之佛教團體聯繫緊密，彼此經常交流訪問，團結協作，現為世界佛教僧伽會、世界佛教友誼會、世界佛教華僧會之成員。同時本會亦是香港六宗教領袖座談會創建成員之一，與香港各大宗教團體經常聯合舉行座談、互訪及慶典活動。

香港佛教聯合會之服務有別於個別佛教寺院或道場，我們以提供教育、醫療、安老等等社會服務為主，並藉此以實踐佛教弘法利生的精神。我們不但服務廣大佛教信眾，我們亦為一切需要我們的香港市民提供服務。

THE HONG KONG BUDDHIST ASSOCIATION

BUSINESS REVIEW (Continued)

面對困難，接受挑戰：

(機構困難審視)

本會秉持一貫「弘揚佛法 普化眾生」的精神，弘揚佛教信仰，利益廣大市民。新型冠狀病毒至今一直肆虐香港，大眾瀰漫著負面情緒。本會在弘法活動及服務提供上遇到前所未有的困難，但為實踐佛教弘法利生的精神，向社會傳遞正能量。本會迎難而上，堅持為社會傳遞佛教精神，努力為大眾提供服務。

受到新型冠狀病毒疫情影響，本會過去一年各項活動均因限聚要求，而需採取應變措施，如清明法會限制信眾進入壇場及參與焰口佛事等，佛誕慶祝活動除董事及少量受邀人士外，其他信眾只能網上參與。雖然在法會運作上作出了積極的應變，整體籌募的善款仍因人流減少而減少了。本會希望透過宣傳，讓更多信眾能更大力支持香港佛教聯合會的各項善業。

面對新型冠狀病毒疫情，為確保師生在復課後有一個安全健康的學習環境，會屬學校應用資訊科技，建立了一套 IoT 物聯網，聯繫各種智能裝置獲取「大數據」後進行實時分析，並作出即時應對，確保師生有一個安全健康的學習環境。會屬學校更將以上的 IoT 技術融入課程，讓學生體驗最新的科技發展，引發學生的學習興趣，啟發他們的探究思維，達至 STEM 教育目的。

會屬學校考慮到應屆中學文憑試考生須同時面對疫情及考試的壓力及挑戰，班主任為同學拍攝「打氣」短片，校長親撰祝願卡鼓勵他們在困境中彰顯毅力。讓應屆中六學生感受到師長及校方的支持。

疫情下，安老院家屬探訪受到限制，長者及其家屬均需要更多的關顧和輔導；長者中大部份班組活動，需要限制參與人數，而不少涉及飲食及外遊的活動亦需取消。長者中心同工需積極思索如何能安全地舉辦活動，而年度間，亦需四處物色資源，協助長者對抗疫情。

發展與機遇：

社會對骨灰龕位需求殷切，本會向政府申請於佛教墳場現有之骨灰樓毗連土地，加建骨灰大樓，計劃興建的骨灰大樓有兩層，總樓高為6.3米，以簡約及環保設計為原則，日常以自然通風及採用自然光為主，安置所內不設化寶設施，禁止燃燒香燭冥鏹，減少能源損耗及二氧化碳排放，充分考慮大自然保護需要，預計提供約9,700個骨灰龕位，以解龕位供應量不足之急。

THE HONG KONG BUDDHIST ASSOCIATION

BUSINESS REVIEW (Continued)

陳馬美玉紀念康樂營成功申請戴麟趾爵士康樂基金，贊助營內興建草地滾球場及相關設施。本會同時得到香港草地滾球總會的鼎力支持，成為合作伙伴，在球場興建期間該會提供專業意見，確保球場符合標準，成為認可場地。球場建成後，將繼續合作展開一系列的計劃以推動草地滾球，包括將新建的球場納入滾球總會轄下的練習場，為本會中學屬校、會員等提供教練並開展訓練班，培訓草地滾球學員，更協助本會建立新球隊。吸引更多人士參與及認識草地滾球。

未來，本會將繼續舉辦各項弘法活動，讓更多市民得蒙佛法甘露的滋潤。此外，本會亦致力實踐佛法，在教育、醫療和社會服務等方面實施改革及發展，努力向上，精益求精。

珍惜資源，運用得當：

(財務狀況審視)

本會一直以來支持信眾捐獻的一分一毫，由本會先賢大德開始，便善於運用善款作出各項服務開拓，至今有服務單位 45 個，廣泛的服務需要龐大的服務團隊和服務運作成本，而且，本會一直希望添置或建設一個能配合本會發展的新會址。故此，經過歷屆董事的努力，本會在財務上非常穩健。2019/20 年度及 2020/21 年度的流動比率分別為 34.39:1 及 33.33:1。

作為宗教團體，廣大信眾支持本會進行弘揚佛法的各類活動，而作為慈善團體，本會積極發展慈善事務，多年來獲得社會的廣泛信任和支持。本會 2019/2020 年度及 2020/2021 年度捐款金額為港幣 1,908,784.43 元及港幣 1,940,052.81 元。所有善款均用於弘揚佛教及開展慈善社會服務。

整筆撥款儲備：截至 2020/21 年度之整筆撥款儲備為港幣 17,899,568.44 元，儲備主要用於提升單位的服務質素，改善員工待遇，支持員工工作專業培訓及發展，以建立一支優質的員工隊伍。董事會將繼續審視及監察整筆撥款的運用情況及善用儲備。

整筆撥款公積金儲備：2020/21 年度公積金儲備為港幣 8,581,397.63 元，本會會定期檢討該儲備的運用，包括增加僱主強積金自願性供款的比率。

繼往開來，時刻奮進

香港佛教聯合會踏入七十六年，我們不會滿足於過去，並會繼續努力匯聚信眾力量，和合十方善緣，推動公益善業，弘揚佛法，利益眾生。

THE HONG KONG BUDDHIST ASSOCIATION

DIRECTORS' REPORT

The Directors have pleasure in submitting the annual report together with the audited financial statements for the year ended 31st March, 2021 to the members of the Association.

PRINCIPAL ACTIVITIES

The principal activities of the Association during the year are to promote and to support the faith of the Buddhist religion, to study Buddhism and to conduct the execution of trust funds and the operations of non-profit making schools and colleges, kindergartens, property for rental purposes, hospital, children and youth centre, cemetery, day nursery, elderly centres in all or any of their branches and homes for elders.

RESULT, APPROPRIATIONS AND RESERVES

The results of the Association for the year ended 31st March, 2021 and the Association's state of affairs as at that date are set out in the financial statements on page 11 to 35.

Appropriations of surplus and movements in reserves, if any, during the year are set out in the statement of fund movements.

SHARE CAPITAL

The Association is limited by guarantee and does not have a share capital. However, the liability of each member is limited by guarantee to a maximum amount of HK\$10.00.

EQUITY-LINKED ARRANGEMENTS

No equity-linked arrangements had been entered into or subsisted at the end of the financial year.

DONATIONS AND SUBSIDIES

During the year, donations and subsidies made by the Association amounted to HK\$1,940,052.81 (2020: HK\$1,908,784.43) and of which HK\$765,257.26 (2020: HK\$592,825.08) subsidy and donation made to excluded sub-organisation schools and elderly centres.

THE HONG KONG BUDDHIST ASSOCIATION

DIRECTORS' REPORT (Continued)

DIRECTORS

The Directors who held office during the year and up to the date of this report are:-

Chan Hung Fun	Sik Chi Hung
Cheung Chui Sou Ying (Alias Chui Sheung Cheung)	Sik Hin Hung
Cheung Mui Kwai	Sik Ku Tay
Cheung Shuk Fan Katherine	Sik Ku Wai
Chong Hok Shan	Sik Kwong Lam
Chow Fung Mei, Phoebe (Alias Sik Shiu An)	Sik Ng Cong
Hee Meng (Alias Sik Mui Wai)	Sik Shui Hung
Ho Tak Sum	Sik To Ping
Kung Siu Kun (Alias Siu Kun)	Sik Wai Wing
Lai Sze Nuen	Sik Yen Tsun (Alias Tsang Chit)
Lam Chi Tat, Anthony	Sik Yin Chi
Lam Hon Wan, Nelson	Sik Yuen Wai
Lam Shih Yan May	Sik Yung Ling
Lau Chun Fui (Alias Sik Kuan Yun)	Tan Chunhua (Alias Sik Ti Lun)
Law Miu Chi (Alias Sik Miu Chi)	Tseung Huei Zen
Lee Ka Cheung	Wan Chiu Fong
Leung Geordie	Wan Yee Ling
Leung Wai Chun	Woo Ivy Wan Kam
Ma Ching Yuk	Yau Wai Nam Maria
Shi Hongming	Yee Kit Bing
Sik Chi Tak	Yeung Chun Kam (Alias Charles Yeung)
	Lam Hon Keung, Keith
	(Resigned on 1st January, 2021)

Pursuant to Articles 27 and 28 of the Articles of Association, one third of the Board of Directors shall retire from office, and shall be eligible for re-election.

PERMITTED INDEMNITY PROVISION

There were not any permitted indemnity provisions in force for the benefit of one or more directors of the Association during the financial year and at the time of approval of this report.

THE HONG KONG BUDDHIST ASSOCIATION

DIRECTORS' REPORT (Continued)

MANAGEMENT CONTRACTS

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

AUDITOR

The financial statements have been audited by Lui & Mak CPA Limited, who now retire and, being eligible, offer themselves for re-appointment.

APPROVAL OF DIRECTORS' REPORT

This report was approved by the Board of Directors on 21st December, 2021.

On behalf of the Board of Directors,



Sik Kuan Yun (Chairman)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE HONG KONG BUDDHIST ASSOCIATION**

(incorporated in Hong Kong with limited liability guarantee)

Opinion

We have audited the financial statements of The Hong Kong Buddhist Association (the "Association") set out on pages 11 to 35, which comprise the statement of financial position as at 31st March, 2021, and the income statement, statement of income and expenditure of the Community Care Fund Assistance Programmes, statement of comprehensive income, the statement of fund movements 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 give a true and fair view of the financial position of the Association as at 31st March, 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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") 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 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE HONG KONG BUDDHIST ASSOCIATION**

(incorporated in Hong Kong with limited liability guarantee)

(Continued)

**Responsibilities of the 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 HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Directors determine are 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 intends to liquidate the Association or to cease operations, or has 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 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.

.....to be continued

LUI & MAK CPA LIMITED

呂榮光 麥錦棠 陳杰宏
會計師事務所有限公司

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HONG KONG BUDDHIST ASSOCIATION

(incorporated in Hong Kong with limited liability guarantee)

(Continued)

- 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.
- 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.



LUI & MAK CPA LIMITED
Certified Public Accountants
HO PURCY
Practising Certificate No. P06689
21st December, 2021

THE HONG KONG BUDDHIST ASSOCIATION

INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

	<u>NOTE</u>	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
INCOME			
Government grant received	(5)	86,291,915.34	76,086,604.90
Due and fee income		15,295,145.17	21,222,121.88
Income from Chinese Medicine Centre		21,359,223.00	13,075,455.00
Sale of grave and urn spaces		5,170,600.00	5,536,100.00
Subsidies and donation received		12,618,270.65	13,127,988.71
Rental income		11,967,847.00	16,915,376.00
Subscriptions and membership fee received		1,357,994.89	1,432,606.89
Bank interest income		17,550,230.23	17,494,857.89
Net surplus on activities	(6)	16,197,546.46	16,136,407.82
Other income		<u>2,829,941.37</u>	<u>1,675,804.82</u>
		190,638,714.11	182,703,323.91
EXPENDITURE			
Auditor's remuneration		119,180.00	104,150.00
Administration and operating expenses		28,067,897.97	27,683,483.38
Personal emoluments		102,135,400.47	97,768,000.79
Depreciation		7,412,720.47	8,045,396.15
Donations and subsidies paid		<u>1,140,052.81</u>	<u>1,908,784.43</u>
		138,875,251.72	135,509,814.75
SURPLUS BEFORE NET GAIN ON FINANCIAL ASSETS		51,763,462.39	47,193,509.16
NET GAIN ON FINANCIAL ASSETS	(7)	<u>5,695,074.39</u>	<u>9,537,311.44</u>
SURPLUS FOR THE YEAR		<u>57,458,536.78</u>	<u>56,730,820.60</u>

The notes on pages (16 to 35) form part of these financial statements.

THE HONG KONG BUDDHIST ASSOCIATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
SURPLUS FOR THE YEAR	57,458,536.78	56,730,820.60
OTHER COMPREHENSIVE INCOME/(EXPENSES)		
Change in fair value on investment in long-term investments	<u>26,171,301.80</u>	<u>(65,656,053.82)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSES)	<u>83,629,838.58</u> =====	<u>(8,925,233.22)</u> =====

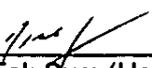
The notes on pages (16 to 35) form part of these financial statements.

THE HONG KONG BUDDHIST ASSOCIATION**STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2021**

	NOTE	2021 HK\$	2020 HK\$
NON-CURRENT ASSET			
Property, plant and equipment	(8)	33,597,593.37	39,085,238.12
Long-term investments	(9)	<u>196,300,276.13</u>	<u>170,085,282.74</u>
		<u>229,897,869.50</u>	<u>209,170,520.86</u>
CURRENT ASSETS			
Inventories		324,087.42	317,031.65
Deposits and other receivables	(10)	6,843,174.80	6,042,392.49
Amount due from schools		777,420.00	1,153,630.00
Cash and bank balances		<u>909,222,778.24</u>	<u>844,167,165.96</u>
		<u>917,167,460.46</u>	<u>851,680,220.10</u>
CURRENT LIABILITIES			
Deposits and other payables		6,366,890.40	6,436,487.33
Receipts in advance		19,990,420.97	16,474,214.82
Amount due to schools		1,149,770.69	1,149,770.69
Amount due to subvention agencies		<u>8,604.46</u>	<u>701,796.86</u>
		<u>27,515,686.52</u>	<u>24,762,269.70</u>
NET CURRENT ASSETS			
		<u>889,651,773.94</u>	<u>826,917,950.40</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,119,549,643.44	1,036,088,471.26
NON-CURRENT LIABILITY			
Provision for long service payment	(11)	<u>(344,950.28)</u>	<u>(344,950.28)</u>
NET ASSETS			
		<u>1,119,204,693.16</u>	<u>1,035,743,520.98</u>
FUNDS AND RESERVES			
Government grant reserve funds	(12)	32,358,074.93	25,632,970.89
Designated donation funds	(13)	190,122,811.22	177,503,116.91
Building and foundation funds	(14)	26,204,964.79	26,204,964.79
Fair value reserve fund		90,910,715.75	64,739,413.95
Accumulated general funds		<u>779,608,126.47</u>	<u>741,663,054.44</u>
		<u>1,119,204,693.16</u>	<u>1,035,743,520.98</u>

The financial statements on pages (11 to 35) were approved and authorised for issue by the Board of Directors on 21st December, 2021 and signed on its behalf by:


Sik Kuan Yun (Chairman)


Ho Tak Sum (Hon. Treasurer)

The notes on pages (16 to 35) form part of these financial statements.

THE HONG KONG BUDDHIST ASSOCIATION

STATEMENT OF FUND MOVEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

	<u>Government Grant Reserve Funds</u> HK\$	<u>Designated Donation Funds</u> HK\$	<u>Building and Foundation Funds</u> HK\$	<u>Fair Value Reserve Fund</u> HK\$	<u>Accumulated General Funds</u> HK\$	<u>Total</u> HK\$
At 1st April, 2020	25,632,970.89	177,503,116.91	26,204,964.79	64,739,413.95	741,663,054.44	1,035,743,520.98
Surplus for the year	6,157,197.89	12,619,694.31	-	-	38,681,644.58	57,458,536.78
Other comprehensive income						
- Fair value changes on long term investments	-	-	-	26,171,301.80	-	26,171,301.80
Fund transferred	1,123,830.55	-	-	-	(1,123,830.55)	-
Refund to SWD	(555,924.40)	-	-	-	-	(555,924.40)
Government grants for acquisition of PPE	-	-	-	-	387,258.00	387,258.00
At 31st March, 2021	<u>32,358,074.93</u>	<u>190,122,811.22</u>	<u>26,204,964.79</u>	<u>90,910,715.75</u>	<u>779,608,126.47</u>	<u>1,119,204,693.16</u>

The notes on pages (16 to 35) form part of these financial statements.

THE HONG KONG BUDDHIST ASSOCIATION**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31ST MARCH, 2021**

	<u>2021</u> HK\$	<u>2020</u> HK\$
OPERATING ACTIVITIES		
Surplus for the year	57,458,536.78	56,730,820.60
Adjustment:-		
Depreciation	7,412,720.47	8,045,396.15
Written off of property, plant and equipment	1,316.00	5,750.00
Dividend from long-term investments	(5,695,074.39)	(9,537,311.44)
Bank interest income	(17,550,230.23)	(17,494,857.89)
Provision for long service payment	-	(278,351.67)
Operating surplus before working capital changes	41,627,268.63	37,471,445.75
(Increase)/decrease in inventories	(7,055.77)	30,583.13
Increase in deposits and other receivables	(800,782.31)	(857,864.38)
Decrease in amount due from schools	376,210.00	-
Decrease in deposits and other payable	(69,596.93)	(663,725.55)
(Decrease)/increase in amount due to subvention agencies	(693,192.40)	684,071.79
Increase/(decrease) in receipt in advance	<u>3,516,206.15</u>	<u>(5,039,486.67)</u>
Cash generated from operations	43,949,057.37	31,625,024.07
Refunded to SWD	<u>(555,924.40)</u>	<u>(106,752.59)</u>
Net cash from operating activities	43,393,132.97	31,518,271.48
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,441,822.72)	(12,051,120.94)
Addition for long-term investments	(43,691.59)	(9,578,972.59)
Increase in bank deposits with original maturities over three months	(90,901,494.07)	85,048,240.72
Bank interest received	17,550,230.23	17,494,857.89
Dividend received from long-term investments	<u>5,695,074.39</u>	<u>9,537,311.44</u>
Net cash (used in)/from investing activities	(70,141,703.76)	90,450,316.52
FINANCING ACTIVITIES		
Government grant received for acquisition of property, plant and equipment	<u>902,689.00</u>	<u>1,880,712.00</u>
Net cash from financing activities	902,689.00	1,880,712.00
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(25,845,881.79)	123,849,300.00
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>238,715,179.84</u>	<u>114,865,879.84</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	212,869,298.05	238,715,179.84
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	909,222,778.24	844,167,165.96
Less: bank deposits with original maturities over three months	<u>(696,353,480.19)</u>	<u>(605,451,986.12)</u>
	212,869,298.05	238,715,179.84

The notes on pages (16 to 35) form part of these financial statements.

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(1) GENERAL INFORMATION

The Hong Kong Buddhist Association ("the Association") is incorporated in Hong Kong and limited by guarantee. The Association is an approved charitable institution under section 88 of the Inland Revenue Ordinance. The Association does not have a share capital and the liability of each member is limited by guarantee to a maximum amount of HK\$10.00. The address of registered office of the Association is 2/F., 338 Lockhart Road, Hong Kong.

The principal activities of the Association are to promote and to support the faith of the Buddhist religion, to study Buddhism and to conduct the execution of designated donation funds and the operations of non-profit making schools and college, kindergartens, properties for rental purposes, hospital, children and youth center, cemetery, day nursery, elderly centres in all or any of their branches and home for elders.

The financial statements are prepared in Hong Kong Dollars which is same as the Association's functional currency.

(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRSs for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention as modified by the financial assets measured at fair value.

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Association's accounting policies. Areas including higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note (4).

a) Sub-organisation included:-

The financial statements include the state of affairs and operating results of sub-organisations financed by the Association and Social Welfare Department as follows:

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(2) BASIS OF PREPARATION (Continued)

(i) Sub-organisation financed by the Association

<u>Name</u>	<u>Principal activities</u>
The Hong Kong Buddhist Association Chan Ma Mee York Memorial Camp	To provide venues and facilities for rental income
The Hong Kong Buddhist Association Shatin Centre	To provide training for the prospective clerics and to act as an academy on Buddhist faith
Sum Heung Lam Fund Buddhist Charity Development Reserve Fund Wing Yan Charitable Fund	Properties investment in securities and funds acting as custodian of funds for service units
The Hong Kong Buddhism Magazine Association	Editing, printing and distributing publication
Mr. & Mrs. Cheung King Tai Memorial Chinese Medicine Mobile Clinic	Chinese medical service
Ven. Siu Kun Chinese Medicine Clinic	Chinese medical service
Joint Medical & Social Service Pilot Scheme - Ching Hang Chinese Medicine Service Point	Chinese medical service
Che Chi Chinese Medicine Clinic	Chinese medical service
Tsing Shan Monastery Chinese Medicine Clinic	Chinese medical service

(ii) Sub-organisation units self financed

Cemetery

Hong Kong Buddhist Cemetery

Service centre for the elderly

Buddhist Ho Poon Yuet Ping Cultural and Service Centre for the Elderly

(iii) Sub-organisation units financed by HACM Limited

Hospital

The University of Hong Kong Chinese Medicine Clinic Cum Training and Research centre (Wong Tai Sin District) (operation commenced on 30.12.2008)

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(2) BASIS OF PREPARATION (Continued)

(iv) Sub-organisation units subvented by Social Welfare Department

Home for the aged

Buddhist Sum Ma Shui Ying Care and Attention Home for the Elderly

Neighbourhood elderly centre

Buddhist Cheung Miu Yuen Neighbourhood Elderly Centre

Buddhist Foo Wong Hop Neighbourhood Elderly Centre

Buddhist Ching Hang Neighbourhood Elderly Centre

Children and youth centre

The Hong Kong Buddhist Association Children & Youth Centre

Day Nursery

Buddhist Chi Wai Day Nursery

b) Sub-organisation excluded:-

The following aided schools sponsored by the Association are excluded from the financial statements because they are independently financed and managed by school management committee/incorporated management committee. In particular they are under the subsidy of the Education Bureau:-

Sub-organisation units subsidied by Education Bureau

Kindergartens

- (1) Buddhist Chi Kwong Kindergarten
- (2) Buddhist Chun Yue Kindergarten (Tung Chung)
- (3) Buddhist Foo Hong Kindergarten
- (4) Buddhist Kam Lai Kindergarten
- (5) Buddhist Mr. & Mrs. Chan Chart Man Kindergarten
- (6) Buddhist Sum Tung Fook Kindergarten
- (7) Buddhist Tsang Kor Sing Anglo-Chinese Kindergarten

Primary schools

- (1) Buddhist Chi King Primary School
- (2) Buddhist Chung Wah Kornhill Primary School
- (3) Buddhist Lam Bing Yim Memorial School
- (4) Buddhist Lim Kim Tian Memorial Primary School
- (5) Buddhist Wing Yan School
- (6) Buddhist Wong Cheuk Um Primary School
- (7) Buddhist Chan Wing Kan Memorial School

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(2) BASIS OF PREPARATION (Continued)

Sub-organisation units subsidied by Education Bureau (Continued)

Secondary schools

- (1) Buddhist Tai Kwong Chi Hong College
- (2) Buddhist Fat Ho Memorial College
- (3) Buddhist Ho Nam Kam College
- (4) Buddhist Hung Sean Chau Memorial College
- (5) Buddhist Kok Kwong Secondary School
- (6) Buddhist Mau Fung Memorial College
- (7) Buddhist Sin Tak College
- (8) Buddhist Sum Heung Lam Memorial College
- (9) Buddhist Tai Hung College
- (10) Buddhist Wai Yan Memorial College
- (11) Buddhist Wong Fung Ling College
- (12) Buddhist Wong Wan Tin College
- (13) Buddhist Yip Kei Nam Memorial College

(3) SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment and the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation on other property, plant and equipment is calculated to write off the cost of the assets on the following basis:-

Leasehold land and buildings	
- leasehold land	Over the un-expired lease term
- buildings on leasehold land	Over the remaining estimated useful life of 50 years
Furniture, fixtures and equipment and motor vehicles	20%
Leasehold improvement	20%

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual value, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

(b) Investment property

Investment property is a property held by the Association as an owner, or as a lessee under a finance lease, to earn rental or for capital appreciation or both, rather than for (i) use in the production or supply of goods or services or for administrative purposes, or (ii) sale in the ordinary course of business. It also includes a property interest held by a lessee under an operating lease which otherwise meets the definition of an investment property and can be measured at fair value without undue cost and effort on an ongoing basis.

On initial recognition, the cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. The initial cost of a property interest held under a lease and classified as an investment property is measured at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, determined at the inception of the lease and any initial direct costs of the lessee (incremental costs that are directly attributable to negotiating and arranging a lease).

Subsequent to initial recognition, investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by independent firm of surveyors. Changes in fair value are recognised in profit or loss.

Where a reliable measure of the fair value of investment property is unavailable without undue cost or effort, investment properties are initially recognised at cost and subsequently accounted for as property, plant and equipment in (a).

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Long-term investments

(i) Investments in listed equity securities

Investments in equity securities are recognised on a trade date basis and are initially measured at transaction prices. Subsequent to initial recognition, all the securities are measured at fair value. Where securities are held for trading purposes, it is classified under current portion in the statement of financial position. Any unrealised gains and losses arising from securities held for trading purposes are included in the profit or loss for the year. For other securities which are classified under non-current portion in the statement of financial position, unrealised gain and losses are included in other comprehensive income until the securities is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the profit or loss for the year.

(d) Inventories

- (i)** Cost of Buddha books purchased for re-sale purpose is fully charged to the income and expenditure account upon purchase. No cost is allocated to closing inventories on hand at the reporting date.
- (ii)** Inventories of food supplies at the reporting date has not been taken into accounts.
- (iii)** No disclosures is made in the financial statements for the inventories of empty burial spaces and urn spaces as they are allocated by the Government of Hong Kong Special Administrative Region free of charge.
- (iv)** Inventories of vases are stated at the lower of cost and net realisable value. Cost, representing the purchase cost, is calculated using the weighted average method. Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.
- (v)** Inventories of magazine is fully charged to the income and expenditure account. No cost is allocated to the closing inventories in hand at report date.
- (vi)** Inventories of drugs are stated at the lower of cost and net realisable value. Cost, which comprises purchase cost, is calculated using the first-in, first-out method. Net realisable value represents the estimated sales value less selling expenses.

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Amount due from schools and other receivables

Amount due from schools are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is an objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

(f) Other payables

Other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(g) Impairment losses

At each reporting date, the Association reviews the carrying amounts of its 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. An impairment loss is recognised as an expense immediately unless the relevant asset is carried at a revalued amount under another standard in which case the impairment loss is treated as a revaluation decrease under that standard.

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 unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

(h) Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a past events, and it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Foreign currency translations

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at approximately the market rates of exchange ruling at the reporting date. Profits and losses on exchange are dealt with in the income statement.

(k) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably on the following basis:-

- (i) Government grants are recognised in fair value in profit or loss where there are reasonable assurance that the grant will be received and the Association has complied with attached conditions. Grants received where the Association has yet to comply with all attached conditions are recognised as liability and released to income when all attached conditions are complied with.
- (ii) Revenue arising from sales of goods is recognised when the customer has accepted the goods and the related risks and rewards of ownership.
- (iii) Rental income received under an operating lease is recognised in equal instalments over the accounting periods covered by the lease term. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.
- (iv) Dividend income is recognised when the right to receive payment is established.

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Revenue recognition (Continued)

- (v) Interest income is recognised as it accrues using the effective interest method.
- (vi) Gain on sale/redemption of investments is recognised on the trade date basis when the relevant transactions are executed.
- (vii) Income from donation, subscription fee and external offering for lotus sets are accounted for on cash basis.
- (viii) Home fee income is recognised on an accrual basis.
- (ix) Members annual subscription is accounted for on actual receipt basis.
- (x) Other service fee income is recognised when services are performed, completed and accepted by the customers.

(l) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Association if that person:
 - (i) is a member of the key management personnel of the Association or of a parent of the Association;
 - (ii) has control over the Association; or
 - (iii) has joint control or significant influence over the Association or has significant voting power in it.
- (b) An entity is related to the Association if any of the following conditions applies:
 - (i) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Related parties (Continued)

- (iii) both entities are joint ventures of a third entity.
- (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant voting power in the entity.

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives and impairment of property, plant and equipment

In determining the useful lives of property, plant and equipment, the management has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on last experience on similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Useful lives are reviewed, at each financial year end date, based on changes in circumstances.

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Fair value of financial assets and derivative of financial instruments

The fair values of financial assets and derivative financial instruments that are traded in an active market are determined by the quoted market prices.

For the fair values of financial assets and derivative financial instruments not traded in an active market, the Association would use the quoted price provided by counterparty to estimate the fair values. The methodologies, models and assumptions used in valuing these financial assets and derivative financial instruments require judgement by management which are mainly based on market conditions existing at each balance sheet date.

(5) GOVERNMENT GRANT RECEIVED

	<u>2021</u> HK\$	<u>2020</u> HK\$
Lump sum grant	53,725,752.00	52,915,041.00
Provident fund-existing staff	997,095.00	1,158,129.00
Provident fund-6.8% posts	3,127,756.00	3,057,876.00
Government rent and rates	1,983,671.00	1,305,747.00
Central items	7,299,532.85	6,692,689.00
Lotteries fund	2,172,001.24	2,506,030.35
Grant from SWD	2,416,000.80	378,068.70
Grant from EDB	7,478,680.45	7,344,428.85
Other government grant	798,266.00	728,595.00
Employment support scheme	6,040,440.00	-
Community care fund assistance programmes (note)	<u>252,720.00</u>	<u>-</u>
	86,291,915.34	76,086,604.90
	=====	=====

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(5) GOVERNMENT GRANT RECEIVED (Continued)

Note:

Community Care Fund Assistance Programmes

During the year, the Association has implemented Community Care Fund ("CCF") assistance programmes. According to the requirement of CCF, the Association is required to disclose the income and expenditure for each programme in its financial statements.

CCF - Pilot scheme on support for elderly persons discharged from public hospitals after treatment.

Statement of income and expenditure for the period from July, 2020 to March, 2021

	<u>2021</u> HK\$
Balance at the beginning of year	-
Income	
Subsidy from CFF	226,621.00
Fees income received from participants	<u>26,099.00</u>
	<u>252,720.00</u>
Expenditure	
Salaries and allowance	256,264.80
Provident fund contribution	16,946.40
Stores and equipment	6,596.31
Repair and maintenance	5,174.37
Miscellaneous	459.26
Utilities	9,778.73
Food	<u>20,274.54</u>
	<u>315,494.41</u>
Deficit for the year	<u>(62,774.41)</u>

We confirm that the above income and expenditure under the programme incurred in accordance with the requirements as stipulated by Social Welfare Department and Community Care Fund:



Sik Kuan Yun (Chairman)

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(6) NET SURPLUS ON ACTIVITIES

	<u>2021</u> HK\$	<u>2020</u> HK\$
Income	20,662,303.20	25,046,239.16
Less: Expenditures	<u>4,464,756.74</u>	<u>8,909,831.34</u>
	16,197,546.46	16,136,407.82
	=====	=====

Note:

- (i) The net surplus on activities includes the surplus from the Flag Day Fund Raising 2020 (Hong Kong Island) held on 24th October, 2020 (Public Subscription Permit No.FD/R033/2020) amounting HK\$1,270,783.62. The gross income and expenditure is HK\$1,325,302.10 and HK\$54,518.48 respectively. The purpose of the charitable funds raised is to support the elderly, children and youth welfare and services conducted by recurrent expenses for social services units of its association, replenishment of furniture and equipments and minor works for social services unit of the Association and service development.
- (ii) Donation income of HK\$Nil (2020: HK\$601,500.00) was received from the D.H Chen Foundation for supporting the "HKBA's Awareness Meditation" Program. The related expense incurred during the year was HK\$34,851.05 (2020: HK\$592,646.40).

(7) NET GAIN ON FINANCIAL ASSETS

	<u>2021</u> HK\$	<u>2020</u> HK\$
Long-term investments:-		
Dividend income	5,695,074.39	9,537,311.44
	=====	=====

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(8) PROPERTY, PLANT AND EQUIPMENT

	Leasehold land held on finance lease for own use HK\$	Investment properties HK\$	Furniture fixtures and equipment and motor vehicles HK\$	Leasehold improvement HK\$	Total HK\$
COST					
At 1st April, 2020	33,641,916.94	8,380,167.00	56,929,008.11	24,353,902.57	123,304,994.62
Addition during the year	-	-	1,274,789.76	1,167,032.96	2,441,822.72
Government grants refunded	-	-	(515,431.00)	-	(515,431.00)
Written off during the year	-	-	(91,057.00)	-	(91,057.00)
At 31st March, 2021	<u>33,641,916.94</u>	<u>8,380,167.00</u>	<u>57,597,309.87</u>	<u>25,520,935.53</u>	<u>125,140,329.34</u>
ACCUMULATED DEPRECIATION					
At 1st April, 2020	18,346,646.33	1,158,783.16	51,940,496.31	12,773,830.70	84,219,756.50
Written off	-	-	(89,741.00)	-	(89,741.00)
Charge for the year	<u>779,414.59</u>	<u>22,792.37</u>	<u>3,148,624.28</u>	<u>3,461,889.23</u>	<u>7,412,720.47</u>
At 31st March, 2021	<u>19,126,060.92</u>	<u>1,181,575.53</u>	<u>54,999,379.59</u>	<u>16,235,719.93</u>	<u>91,542,735.97</u>
NET BOOK VALUE					
At 31st March, 2021	<u>14,515,856.02</u>	<u>7,198,591.47</u>	<u>2,597,930.28</u>	<u>9,285,215.60</u>	<u>33,597,593.37</u>

(a) The analysis of leasehold lands held in Hong Kong is as follows:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Long leases	10,378,446.08	10,574,784.11
Medium-term leases	<u>11,336,001.42</u>	<u>11,941,870.34</u>
	<u>21,714,447.49</u>	<u>22,516,654.45</u>

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(8) PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) No values were assigned to the land and buildings under donations-in-kind on the statement of financial position.

(i) Leasehold lands held for own use under donations-in-kind are:

<u>Location</u>	<u>Purpose for principal place of</u>
Lot No. 343 in D.D. No. 310, Lantau Islands, New Territories.	Vacant
Lot No. 493 and 487 in D.D. 185, Shatin, New Territories.	Sub-organisations - Ming Lun Villa of Buddhist Charity Development Reserve Fund - Shatin Centre of Buddhist Charity Development Reserve Fund

The above leasehold lands are held in Hong Kong on medium-term leases.

(ii) Leasehold lands held for rental purpose under donations-in-kind are:

- No. 10 Somerset Road, Kowloon Tong, Kowloon.
- Flat C, 8th Floor, On Lai Building, No. 3 Tsing To Path, Tuen Mun, N.T.
- Ground Floor, No. 9B and 9C Boundary Street, Kowloon.
- Store room, 12th Floor, Golden Crown Court, Nos. 66-70 Nathan Road, Kowloon.
- 1st Floor, No. 43 Granville Road, Kowloon.

The above buildings on leasehold land are held in Hong Kong on medium-term leases.

- Shek O New Village "Yee Lo" Inland Lot No. 32, Hong Kong.
- 7th Floor, No. 162 Fa Yuen Street, Kowloon.
- 3rd Floor, No. 1 Cannon Street, Hong Kong.
- Flat A2, 14th Floor, Mirador Mansion, 58 Nathan Road, Kowloon.
- G/F, Flat B, C & D, Kin Fook Mansion, No.251 Tai Kok Tsui Road, Kowloon.

The above leasehold lands are held in Hong Kong on long leases.

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(8) PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Leasehold land held for own use subvented by Social Welfare Department

No. 8 Kung Lok Road, Kowloon Sub-organisations
- Buddhist Sum Ma Shui Ying Care
and Attention Home for the Elderly

The above leasehold land is held in Hong Kong on medium-term leases.

(d) Leasehold land held for own use granted by the government

Lot No. 7755, Cape Collinson Road, Hong Kong Buddhist Cemetery
Chai Wan, Hong Kong

The above leasehold land is held in Hong Kong for a lease term of 75 years granted by the government commenced on 26th January, 1961.

(9) LONG-TERM INVESTMENTS

	<u>2021</u> HK\$	<u>2020</u> HK\$
Long term investments, at fair value		
- Listed equity securities in Hong Kong	184,034,554.77	160,036,673.86
- Listed equity securities in overseas	<u>12,265,721.36</u>	<u>10,048,608.88</u>
	196,300,276.13	170,085,282.74
	=====	=====

The fair value was measured with reference to quoted market bid price in an active market.

(10) DEPOSITS AND OTHER RECEIVABLES

	<u>2021</u> HK\$	<u>2020</u> HK\$
Utility and sundry deposits	778,321.50	751,128.00
Accounts receivable	3,748,857.71	1,681,333.50
Temporary payment and prepayment	2,204,895.59	3,162,778.33
Other	<u>111,100.00</u>	<u>447,152.66</u>
	6,843,174.80	6,042,392.49
	=====	=====

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(11) PROVISION FOR LONG SERVICE PAYMENT

	<u>2021</u> HK\$	<u>2020</u> HK\$
Balance brought forward	344,950.28	623,301.95
Provision for the year	<u>-</u>	<u>(278,351.67)</u>
Balance carried forward	<u>344,950.28</u>	<u>344,950.28</u>

(12) GOVERNMENT GRANT RESERVE FUNDS

	<u>Lump Sum Grant Reserve Fund</u> HK\$	<u>Provident Fund Reserve Fund</u> HK\$	<u>Other Subvention Reserve</u> HK\$	<u>KG Scheme</u> HK\$	<u>Total</u> HK\$
At 1st April, 2020	<u>14,685,708.82</u>	<u>7,998,908.66</u>	<u>637,139.07</u>	<u>2,311,214.34</u>	<u>25,632,970.89</u>
Total grants received	53,725,752.00	4,124,851.00	4,843,674.04	7,567,767.00	70,262,044.04
Fee and other income	6,942,354.07	-	-	-	6,942,354.07
Interest income	<u>78.40</u>	<u>-</u>	<u>43.60</u>	<u>-</u>	<u>122.00</u>
	<u>60,668,184.47</u>	<u>4,124,851.00</u>	<u>4,843,717.64</u>	<u>7,567,767.00</u>	<u>77,204,520.11</u>
Expenditure					
Personal emoluments	47,757,870.45	3,482,872.03	-	5,482,561.30	56,723,303.78
Other charges	<u>9,186,096.74</u>	<u>-</u>	<u>3,669,940.54</u>	<u>1,467,981.16</u>	<u>14,324,018.44</u>
	<u>56,943,967.19</u>	<u>3,482,872.03</u>	<u>3,669,940.54</u>	<u>6,950,542.46</u>	<u>71,047,322.22</u>
Surplus for the year	3,724,217.28	641,978.97	1,173,777.10	617,224.54	6,157,197.89
Refund to SWD	(462,664.31)	(59,490.00)	(33,770.09)	-	(555,924.40)
Reallocated to general fund	<u>-</u>	<u>-</u>	<u>1,120,490.55</u>	<u>3,340.00</u>	<u>1,123,830.55</u>
At 31st March, 2021	<u>17,947,261.79</u>	<u>8,581,397.63</u>	<u>2,897,636.63</u>	<u>2,931,778.88</u>	<u>32,358,074.93</u>

Government grant reserve funds represented reserve retained in accordance with "Lump Sum Grant Manual" for sub-organisations subvented by Social Welfare Department.

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(13) DESIGNATED DONATION FUNDS

	Education Funds HK\$	Building Funds HK\$	Cemetery Development Funds HK\$	Social Service Development Funds HK\$	Total Charitable Funds HK\$	Total HK\$
Balance at 1st April, 2020	34,780,368.77	4,348,340.34	73,176,536.84	13,691,093.05	51,506,777.91	177,503,116.91
Donation received	413,204.40	-	2,230,624.10	2,105,729.98	2,990,891.80	7,740,450.28
Interest and investment income	415,992.35	-	2,221,864.94	206,887.42	366,810.30	3,211,555.01
Service fee income	2,967,000.00	-	353,253.25	-	918,391.00	4,238,644.25
Donation to other	-	-	-	-	(142,000.00)	(142,000.00)
Scholarship paid	(114,800.00)	-	-	-	-	(114,800.00)
Other expenses	(1,960,657.95)	-	-	(79,151.68)	(274,345.60)	(2,314,155.23)
Net surplus/(deficit) for the year	1,720,738.80	-	4,805,742.29	2,233,465.72	3,859,747.50	12,619,694.31
Balance at 31st March, 2021	36,501,107.57	4,348,340.34	77,982,279.13	15,924,558.77	55,366,525.41	190,122,811.22

Note:

- (a) Education Funds are for scholarship to students and Dharma Ambassador, and supporting to schools.
- (b) Building Funds are for new head quarter foundation fund.
- (c) Cemetery Development Funds are for development and maintenance of Hong Kong Buddhist Cemetery.
- (d) Social Service Development Funds are for supporting elderly, children and youth service.
- (e) Charitable Funds are for supporting general donation, chinese medicine service and charitable events.

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(14) BUILDING AND FOUNDATION FUNDS

At the reporting date, the building and foundation funds represented:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
The Hong Kong Buddhist Association		
- Buddhist Cultural Centre	17,045,847.69	17,045,847.69
Sum Heung Lam Fund	<u>9,159,117.10</u>	<u>9,159,117.10</u>
	26,204,964.79	26,204,964.79
	=====	=====

Note:

Building and Foundation Funds are for development of Buddhist Cultural Centre and Sum Heung Lam Building.

(15) RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclose elsewhere in these financial statements, the Head Office had the following material related party transactions during the year:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Through accumulated generated funds:-		
Aided and subsidies paid/(refund) to sub-organisations		
Buddhist Chan Wing Kan Memorial School	16,487.00	79,206.43
Buddhist Chi King Primary School	62,200.00	33,250.00
Buddhist Chung Wah Kornhill Primary School	157,556.46	33,250.00
Buddhist Fat Ho Memorial College	3,700.00	7,850.00
Buddhist Ho Nam Kam College	9,952.13	41,780.00
Buddhist Hung Sean Chau Memorial College	4,000.00	23,125.47
Buddhist Kok Kwong Secondary College	60,160.00	32,470.00
Buddhist Lam Bing Yim Memorial School	10,594.30	47,581.85
Buddhist Lin Kim Tian Memorial Primary School	41,900.00	134,100.00
Buddhist Mau Fung Memorial College	3,700.00	3,700.00
Buddhist Sin Tak College	46,800.00	185,200.00
Buddhist Sum Heung Lam Memorial College	12,492.00	11,272.20
Buddhist Tai Hung College	64,147.00	6,800.00
Buddhist Tai Kwong Chi Hong Secondary School	105,035.41	60,333.08
Buddhist Wai Yan Memorial Secondary School	50,446.15	94,737.10
Buddhist Wing Yan School	15,388.00	86,526.80
Buddhist Wong Cheuk Um Primary School	2,200.00	47,600.00
Buddhist Wong Fung Ling College	23,700.00	65,100.00
Buddhist Wong Wan Tin College	11,159.11	516,411.90
Buddhist Yip Kei Nam Memorial College	3,450.00	6,400.00
Buddhist Tsang Kor Sing Anglo-Chinese Kindergarten	1,300.00	-
Buddhist Kam Lai Kindergarten	1,300.00	-
Buddhist Sum Tung Fook Kindergarten	1,300.00	-
Buddhist Foo Hong Kindergarten	1,300.00	-
Buddhist Chi Kwong Kindergarten	1,300.00	-
Buddhist Chi Way Day Nursery	1,300.00	-
Buddhist Chun Yue Kindergarten	1,300.00	-
Buddhist Chan Chart Man Kindergarten	1,300.00	-
Buddhist Hospital	147,805.10	-
香港佛教學校教師聯誼會	77,226.00	99,900.00
香港正覺蓮社佛教陳式宏學校	1,000.00	3,150.00
香港佛教聯合會會屬小學校長會	<u>23,598.50</u>	<u>100,000.00</u>
	965,097.16	1,719,744.83
	=====	=====

THE HONG KONG BUDDHIST ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(16) DIRECTORS' REMUNERATION

No remuneration of any nature were paid or payable to the Directors of the Association during the year (2020: Nil).

(17) COMMITMENTS

At the reporting date, the Association had the minimum lease receipts under non-cancellable operating leases which fall due as follows:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Within one year	7,550,650.00	14,517,150.00
In the second to fifth year inclusive	<u>5,715,600.00</u>	<u>23,871,650.00</u>
	13,266,250.00	38,388,800.00
	=====	=====

At the reporting date, the Association had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follow:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Not later than one year	115,614.00	115,614.00
Later than one year and not later than five years	<u>-</u>	<u>-</u>
	115,614.00	115,614.00
	=====	=====

(18) CAPITAL COMMITMENTS

	<u>2021</u> HK\$	<u>2020</u> HK\$
Contracted for professional fee	-	185,400.00
Contracted for renovation works	<u>-</u>	<u>998,741.83</u>
	-	1,184,141.83
	=====	=====

(19) SIGNIFICANT EVENT

An outbreak of respiratory illness caused by novel coronavirus (the "COVID-19") has been expanded worldwide since early 2020. The Association has implemented prevention and control measures to ensure the Association continue to operate its business. The Director of the Association will continue to assess the impact of the respiratory illness on the Association's operation and financial performance and closely monitor the Association's exposure to the risks and uncertainties in connection with this event.