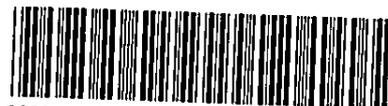


**CCCOWE**  
**Annual Report**  
**2020**

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**CCCOWE**  
**Reports and financial statements**  
**For the year ended 31 December 2020**

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<b>Contents</b>	<b>Page</b>
<i>Report of the councillors</i>	1-2
<i>Independent auditor's report</i>	3-5
<i>Income statement</i>	6
<i>Statement of financial position</i>	7
<i>Accounting policies and explanatory notes to the financial statements</i>	8-15

## **CCCOWE**

### **Report of the councillors**

The councillors present herewith their annual report together with the audited financial statements of the Association for the year ended 31 December 2020.

#### **Objects**

The Association is a non-profit making organisation. Its principal objects are to glorify Jesus Christ, advance the Christian religion, propagate the Gospel and promote the faith of Christianity and related functions.

#### **Financial status**

The financial performance of the Association for the year ended 31 December 2020 and the financial position of the Association as at that date are set out in the financial statements on pages 6 to 15.

#### **Charitable donations**

Donations of HK\$Nil (2019: HK\$1,000) were made by the Association during the year.

#### **Councillors**

The councillors of the Association during the year and up to the date of this report were:

Dr. Choi Yuen Wan

Dr. Lin Chi Ping

Mr. Hung Shan Chun

Mr. Timotius William

Ms. Lim Jane Pao

Rev. Chung Ka Lok

Rev. Lee Cheng Jung

Rev. Leung Wing Keung

Rev. Shen Li Tak, Michael

Rev. Su Chii Ann

Rev. Lau Siu Hong

(Resigned on 1 January 2020)

Rev. Lam Chung Kong

(Resigned on 1 January 2020)

Rev. Leung Ka Lun

(Resigned on 1 January 2020)

Rev. Shia Chung Chien

(Resigned on 1 January 2020)

In accordance with Article 38 of the Articles of Association of the Association, all the councillors continue in office.

#### **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.

#### **Business review**

The Association falls within reporting exemption for the financial year. Accordingly, the Association is exempted from preparing a business review.

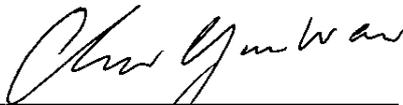
**Permitted indemnity provision**

At no time during the year and up to the date of this councillor's report, there was or is, any permitted indemnity provision being in force for the benefit of any of the councillors of the Association.

**Auditors**

A resolution for the re-appointment of Bingley Wong (CPA) Limited, Certified Public Accountants (Practising) as auditors of the Association is to be proposed at the forthcoming annual general meeting.

On behalf of the Council of Management



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Dr. Choi Yuen Wan  
Chairman  
Hong Kong,

24 May 2021

**Independent auditor's report to the members of  
CCCOWE**  
(Incorporated in Hong Kong and limited by guarantee)

**Opinion**

We have audited the financial statements of CCCOWE ("the Association") set out on pages 6 to 15, which comprise the statement of financial position as at 31 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 Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The councillors are responsible for the other information. The other information comprises the information included in the councillors' report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of councillors for the financial statements**

The councillors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the councillors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the councillors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the councillors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The responsibilities of the councillors include overseeing the Association's financial reporting process.

## **Auditors' 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.

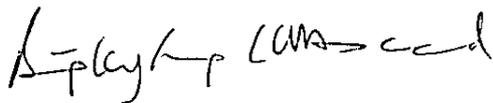
As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councillors.

- Conclude on the appropriateness of the councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with the councillors 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.

Bingley Wong (CPA) Limited  
Certified Public Accountants (Practising)  
Room 1702, 17/F., Kai Wong Commercial Building,  
222 Queen's Road Central,  
Hong Kong.



Ellis Wong  
Practising Certificate No.: P04133  
Hong Kong,

24 May 2021

**CCCOWE**  
**Income statement**  
**For the year ended 31 December 2020**  
(Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Donations</b>	3	3,462,908	4,011,931
Other revenue	4	691,768	17,424
Administrative expenses		(4,098,254)	(4,078,313)
Other operating expenses		<u>(472,667)</u>	<u>(1,037,483)</u>
<b>Deficit for the year before other funds</b>	5 & 9	<u>(416,245)</u>	<u>(1,086,441)</u>
<b>Other funds</b>			
Donation and other revenue	10	1,508,864	377,075
Expenditure and others	10	<u>(366,502)</u>	<u>(627,889)</u>
<b>Net inflow/(outflow) in other funds</b>		<u>1,142,362</u>	<u>(250,814)</u>
<b>Surplus/(Deficit) for the year</b>		<u><u>726,117</u></u>	<u><u>(1,337,255)</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**CCCOWE****Statement of financial position as at 31 December 2020**

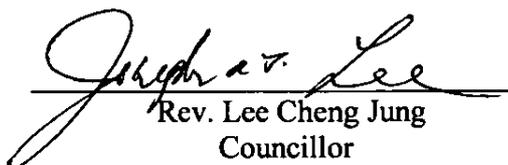
(Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Non-current assets</b>			
Property, plant and equipment	8	<u>257,142</u>	<u>333,996</u>
<b>Current assets</b>			
Deposits and prepayments		52,229	47,582
Cash and cash equivalents		<u>2,425,855</u>	<u>1,621,777</u>
		<u>2,478,084</u>	<u>1,669,359</u>
<b>Current liabilities</b>			
Other payables and temporary receipt		<u>47,511</u>	<u>41,757</u>
<b>Net current assets</b>		<u>2,430,573</u>	<u>1,627,602</u>
<b>NET ASSETS</b>		<u><u>2,687,715</u></u>	<u><u>1,961,598</u></u>
<b>FUNDS</b>			
General fund	9	(3,173,193)	(2,756,948)
Other funds	10	<u>5,860,908</u>	<u>4,718,546</u>
<b>Total funds</b>		<u><u>2,687,715</u></u>	<u><u>1,961,598</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.



Dr. Choi Yuen Wan  
Councillor



Rev. Lee Cheng Jung  
Councillor

# CCCOWE

## Accounting policies and explanatory notes to the financial statements

For the year ended 31 December 2020

(Expressed in Hong Kong dollars)

### 1. General information

CCCOWE (Formerly known as Chinese Coordination Centre of World Evangelism) (the Association) is a company, incorporated in Hong Kong, limited by guarantee and not having a share capital. The address of its registered office is located at 2/F., Yuet Yuen Mansion, 19 Mongkok Road, Kowloon, Hong Kong.

The Association is a non-profit making organization. Its principal objects are to glorify Jesus Christ, advance the Christian religion, propagate the Gospel and promote the faith of Christianity and related functions.

### 2. Basis of preparation and accounting policies

The Association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

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

The measurement basis adopted is the historical cost convention.

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

#### a. *Property, plant and equipment*

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

Depreciation is provided to write off the cost of the land and building on a straight-line basis over its estimated useful life or the remaining terms of leases, if shorter. Depreciation is provided to write off the cost of other plant and equipment over their estimated useful lives from the date on which they are available for use and after taking into account of their estimated residual values, using the reducing balance method at the following annual rate:

Leasehold improvement	10%
Furniture, fixtures and air-conditioners	15%
Office equipments	10%

*b. Impairment of assets*

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

*c. Trade and other receivables*

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

*d. Translation of foreign currency*

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

*e. 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, as follows:

- i) Donations income are recognised on receipt basis.
- ii) Interest income from bank deposits is accrued on a time basis on the principal outstanding and at the interest rate applicable.

*f. Leases*

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

*g. Employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

The Association operates a Mandatory Provident Fund Scheme ("MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The MPF scheme is a defined contribution retirement plan administered by an independent corporate trustee. Under the MPF scheme, the Association and its eligible employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$30,000. Contributions to the plan vest fully with the employees immediately.

### 3. Income

Income represents donations received. The amounts of each significant category of revenue recognised in donations during the year are as follows:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
General purposes	2,262,607	2,728,596
Publications	60,965	116,343
Salaries	5,050	1,848
Others	<u>1,134,286</u>	<u>1,165,144</u>
	<u>3,462,908</u>	<u>4,011,931</u>

### 4. Other revenue

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Bank interest income	10	3,348
Exchange gain	12,017	9,809
Government subsidy income	654,506	0
Sundry income	<u>25,235</u>	<u>4,267</u>
	<u>691,768</u>	<u>17,424</u>

Government subsidies in respect of COVID-19 in relation to the "Employment Support Scheme" under the Hong Kong Government's Anti-epidemic Fund provided by the Hong Kong Special Administrative Region Government have been received during the Year.

### 5. Deficit for the year before other funds

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
<i>Deficit for the year before other funds is arrived at after charging:</i>		
Depreciation	77,304	79,669
Staff costs (salaries, provident fund contribution and housing allowance)	<u>4,040,286</u>	<u>3,969,506</u>

### 6. Councillors' remuneration

Councillors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Fees	0	0
Other emoluments	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

In accordance with Article 29 of the Articles of Association of the Association, no salary, remuneration or allowance shall be paid to the councillors.

## 7. Taxation

The Association is a charitable organization within the meaning of Section 88 of the Hong Kong Inland Revenue Ordinance and accordingly is exempted from Hong Kong Profits Tax.

## 8. Property, plant and equipment

	Land and <u>building</u> HK\$	Leasehold <u>improvement</u> HK\$	Furniture, fixtures & air- <u>conditioners</u> HK\$	Office <u>equipments</u> HK\$	<u>Total</u> HK\$
<i>Cost:</i>					
At 1.1.2020	1,600,885	158,475	378,212	1,203,214	3,340,786
Addition	0	0	0	450	450
At 31.12.2020	<u>1,600,885</u>	<u>158,475</u>	<u>378,212</u>	<u>1,203,664</u>	<u>3,341,236</u>
<i>Accumulated depreciation:</i>					
At 1.1.2020	1,458,699	118,038	360,116	1,069,937	3,006,790
Charge for the year	57,174	4,044	2,714	13,372	77,304
At 31.12.2020	<u>1,515,873</u>	<u>122,082</u>	<u>362,830</u>	<u>1,083,309</u>	<u>3,084,094</u>
<i>Net book value:</i>					
At 31.12.2020	<u>85,012</u>	<u>36,393</u>	<u>15,382</u>	<u>120,355</u>	<u>257,142</u>
At 31.12.2019	<u>142,186</u>	<u>40,437</u>	<u>18,096</u>	<u>133,277</u>	<u>333,996</u>

The land and building is situated in Hong Kong and held under medium-term lease.

## 9. General fund

	<u>2020</u> HK\$	<u>2019</u> HK\$
Balance as at 1 January	(2,756,948)	(1,670,507)
Deficit for the year	<u>(416,245)</u>	<u>(1,086,441)</u>
Balance as at 31 December	<u>(3,173,193)</u>	<u>(2,756,948)</u>

**10. Other funds**

	Development fund HK\$	10 <sup>th</sup> CCOWE fund HK\$	Vision 2020 fund HK\$	Miscellaneous funds (Note 10A) HK\$	Total HK\$
Balance as at 1.1.2020	1,586,941	1,046,515	(47,033)	2,132,123	4,718,546
Donations and other revenue	0	7,942	0	1,500,922	1,508,864
Expenditures incurred	0	(39,000)	0	(327,502)	(366,502)
Balance as at 31.12.2020	<u>1,586,941</u>	<u>1,015,457</u>	<u>(47,033)</u>	<u>3,305,543</u>	<u>5,860,908</u>

10. Other funds (continued)

(A) Miscellaneous funds

	Research ministries fund	Internet ministry fund	English ministries fund	Conference & administration fund	21 Century fund	ARMD fund	Rental subsidy fund	Training fund	IEMDTC 2019 fund	SAFC 2020 fund	IEMDTC 2020 fund	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance as at 1.1.2020	(290,231)	(191,335)	497,476	(1,567)	489,596	152,187	95,015	1,365,580	13,632	1,770	0	2,132,123
Donations & other revenue	150	3,070	0	50	0	15,400	0	23,100	0	1,404,877	54,275	1,500,922
Transfer to Conference administration fund	0	0	0	56,685	0	0	0	0	(13,632)	0	(43,053)	0
Expenditures incurred	(7,977)	(29,428)	0	(1,185)	0	0	0	(92,400)	0	(185,290)	(11,222)	(327,502)
Balance as at 31.12.2020	<u>(298,058)</u>	<u>(217,693)</u>	<u>497,476</u>	<u>53,983</u>	<u>489,596</u>	<u>167,587</u>	<u>95,015</u>	<u>1,296,280</u>	<u>0</u>	<u>1,221,357</u>	<u>0</u>	<u>3,305,543</u>

## **10. Other funds (continued)**

### **(B) Purpose of funds**

#### **Development fund**

This fund was set up in 1995 and was arisen from gain on disposal of land and buildings. The application of the fund is used for the acquisition of land and buildings or infrastructural improvement of buildings.

#### **10<sup>th</sup> CCOWE fund**

The fund has been set up for the events of 10<sup>th</sup> CCOWE conference.

#### **Vision 2020 fund**

The fund is for supporting promotion of "Vision 2020".

#### **Miscellaneous funds**

The miscellaneous funds consist of the following funds:

- a. **Research ministries fund**  
The fund is for supporting research on Chinese churches around the world.
- b. **Internet ministry fund**  
The fund is for establishment and maintenance of the Association's website.
- c. **English ministries fund**  
The fund is for developing international English Ministry network amongst worldwide Chinese Churches.
- d. **Conference and administration fund**  
The fund is for preparation of various mission meetings held in different parts of the world.
- e. **21 Century fund**  
The fund has been set up for publication of books.
- f. **Action Research and Model Development ("ARMD") fund**  
The fund is for compilation of research reports based on their respective track records to produce guidelines for best ministry practice that is actionable, sustainable and sealable.
- g. **Rental subsidy fund**  
The fund is for subsidizing pastor's housing rental.
- h. **Training fund**  
The fund is for preparation of various training materials, videos and activities. Subsidies for trainers and students in poor region are also included.
- i. **IEMDTC 2019 fund (International Entrepreneurs Missional Disciples Training Conference)**  
The fund has been set up for the events of IEMDTC 2019 conference.

- j. **SAFC 2020 fund**  
The fund has been set up for the events of " Set A Fire" Campaign in the year 2020. The goal of this campaign is to generate a wave of enthusiasm among global Chinese Churches for the evangelical movement.
- k. **IEMDTC 2020 fund (International Entrepreneurs Missional Disciples Training Conference).**

The fund has been set up for the events of IEMDTC 2020 conference.

**11. Related party transactions**

The Association did not enter into any material related party transactions during the year.

**12. Status of the Association**

The Association is limited by guarantee, such that under clause 6 of its Memorandum of Association, which is, for all purposes to be regarded as a provision of the Association's articles pursuant to section 98 of Companies Ordinance (Cap. 622), every member or he is a member within one year after he ceases to be a member shall, in the event of the Association being wound up, contribute such amount as may be required to meet the liabilities of the Association, but not exceeding HK\$25 for each member.

**13. Operating lease commitment**

The Association had the following total future minimum lease payments payable under a non-cancellable operating lease:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Not later than one year	82,500	99,000
Later than one year	<u>0</u>	<u>82,500</u>
	<u>82,500</u>	<u>181,500</u>

**14. Approval of the financial statements**

The financial statements were approved and authorised for issue by the Council of Management on 24 May 2021.