

EAST ASIA SEND INTERNATIONAL LIMITED
國際差傳協會(東亞)有限公司

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

For the year ended 31 December 2020



ENSON CPA LTD
安信會計師事務所有限公司



DIRECTORS' REPORT

For the year ended 31 December 2020

The directors of the East Asia Send International Limited have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the company during the year are set out in note 1 to the financial statements.

Results and appropriations

The results and state of affairs of the company for the year ended 31 December 2020 are set out in the financial statements on pages 4 to 10.

Directors

The directors of the company in office during the year and up to the date of this report were:

LEE, Ka Lun Stephen

CHAN, Oi Wah Lolita

CHAN, Che Keung

NG, Ping Wing

LEE, Lai Yuk

SHAM, Yu Kan

KO, Wai Sum Bess (appointed on 27 October 2020)

LEUNG, Mavis Mei Sam (appointed on 4 May 2021)

In accordance with article 34 of the company's articles of association, the term of office shall be two years and a director who retires shall be eligible for re-election.

Auditors

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

On behalf of the board



CHAN, Oi Wah Lolita

Chairman

Hong Kong,

26 SEP 2021



Certified Public Accountants

ENSON CPA LTD
安信會計師事務所有限公司

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF**

EAST ASIA SEND INTERNATIONAL LIMITED 國際差傳協會(東亞)有限公司
(Incorporated in Hong Kong with limited liability by guarantee)

Opinion

We have audited the financial statements of East Asia Send International Limited (the "Company") set out on pages 4 to 10, which comprise statement of financial position as at 31 December 2020 and the statement of income and expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("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 Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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 Company's DIRECTORS' REPORT AND FINANCIAL STATEMENTS for the year ended 31 December 2020, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors and those charged with governance for the financial statements

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

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

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

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Certified Public Accountants

ENSON CPA LTD
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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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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.

This auditor's 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.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Enson CPA Limited
Certified Public Accountants
Hong Kong, 26 SEP 2021

Daniel Chun-Chiu Ng
Practising Certificate number P03796

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STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31 December 2020

	Note	2020 HK\$	2019 HK\$
Income			
Donations received - general		392,711	321,824
Donations received - missionaries fund	9	7,876,995	7,622,758
Service income		3,670	2,870
Bank interest received		1,981	4,564
Government subsidy from Anti-epidemic Fund - office staff		120,000	-
Government subsidy from Anti-epidemic Fund - missionaries	9	538,242	-
		<u>8,933,599</u>	<u>7,952,016</u>
Expenditure			
Auditors' remuneration		12,000	12,000
Bank charge		666	1,000
Building management fee		28,488	27,824
Cleaning		7,806	7,650
Computer expenses		16,665	31,538
Depreciation		82,050	82,050
Donations paid - missionaries support	3,9	2,110,210	4,068,492
Electricity and water		3,482	9,327
Event expenses		4,280	5,158
Government rent and rates		3,771	3,627
Insurance		20,036	1,305
Membership fee		2,000	2,000
Messing		3,251	6,081
Missionaries expenses - appointee expenses	9	184	13,150
Missionaries expenses - field work expenses	9	589,337	699,305
Missionaries expenses - retirement schemes	9	379,735	295,487
Missionaries expenses - salaries	9	3,825,109	2,632,437
Office expenses		2,280	45,653
Office staff - MPF		43,380	41,479
Office staff - salaries		410,400	409,548
Postage and courier		9,103	7,053
Printing and stationery		27,209	25,119
Secretarial expenses		3,105	3,105
Sundry expenses		5,217	2,046
Telecommunication		8,183	8,019
Traveling		396	21,301
Volunteers expenses		3,299	3,888
		<u>7,601,642</u>	<u>8,465,642</u>
Surplus / (deficit) for the year		<u>1,331,957</u>	<u>(513,626)</u>

The accompanying notes formed an integral part of these financial statements.

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EAST ASIA SEND INTERNATIONAL LIMITED 國際差傳協會(東亞)有限公司

STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Note	2020 HK\$	2019 HK\$
Non-current assets			
Property, plant and equipment	6	<u>2,318,236</u>	<u>2,400,286</u>
Current assets			
Amount due from related companies	7	65,342	307,903
Utility deposits paid		11,774	11,774
Cash and bank balances		<u>6,339,776</u>	<u>4,683,208</u>
		<u>6,416,892</u>	<u>5,002,885</u>
Current liabilities			
Accrued expenses		<u>12,000</u>	<u>12,000</u>
Net current assets		<u>6,404,892</u>	<u>4,990,885</u>
Net assets		<u>8,723,128</u>	<u>7,391,171</u>
Equity			
General fund	8	2,481,609	2,488,600
Missionaries fund	9	<u>6,241,519</u>	<u>4,902,571</u>
		<u>8,723,128</u>	<u>7,391,171</u>

Approved and authorised for issue by the Board of Directors on 26 SEP 2021



CHAN, Oi Wah Lolita
Director



LEE, Ka Lun Stephen
Director

The accompanying notes formed an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Reporting Entity

East Asia Send International Limited is a limited liabilities company incorporated in Hong Kong which does not have a share capital and its liabilities are limited by guarantee, such that under the provision of the memorandum of association, every member shall, in the event of the Association being wound up, contribute such amount as required to meet the liabilities of the Association, but not exceeding HK\$100. The company's registered office is currently located at Room 3, 6/F, Max Trade Centre, 23 Luk Hop Street, San Po Kong, Kowloon, Hong Kong.

The principal activities of the company during the year are sending and supporting missionaries from Hong Kong to East Asia and other countries in order to promote the extension of Christianity, to preach the Gospel by personal and public evangelism, and to support all those activities which seek to spread the teachings and doctrines of the Gospel.

2. Basis of preparation and accounting policies

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

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

The measurement base adopted is the historical cost accounting convention.

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

(a) Revenue

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

- (i) Donations are recognized as income on received.
- (ii) Service income is recognized as income on received upon service rendered.
- (iii) Bank interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.
- (iv) Government subsidy is recognised as income upon received.

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

2. Basis of preparation and accounting policies (cont'd)

(c) Property, plant and equipment

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

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

Leasehold land	Over the lease terms
Buildings	2%
Furniture and fixtures	20%

(d) 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 income and expenditure. 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 amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(e) 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 income and expenditure.

(f) Trade and other payables

Trade and other payables are initially measured at transaction price and, after initial recognition, at amortized cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(g) Related parties

A person or a close member of that person's family is related to the company if that person: (i) has control or joint control of the company; (ii) has significant influence over the company; or (iii) is a member of the key management personnel of the company or of a parent of the company.

An entity is related to the company (the reporting entity) if: (i) the entity and the company are members of the same group; (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) both entities are joint ventures of the same third party; (iv) one 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 company or an entity related to the company (if the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity); (vi) the entity is controlled or jointly controlled by a related person identified in the previous paragraph; (vii) a related person identified in the previous paragraph item (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

3. **Donations paid - missionaries support**

The donations were made to support the works of the following missionaries:

	2020	2019
	HK\$	HK\$
Company's own missionaries	1,818,623	3,363,100
Other missionaries	291,587	705,392
	<u>2,110,210</u>	<u>4,068,492</u>

During the year, donations paid to related missionary councils in other countries amounted to HK\$2,110,210 (2019: HK\$4,068,492).

4. **Directors' remuneration**

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance are as follows:

	HK\$	HK\$
Fees	-	-
Salaries and other emoluments	-	-
	<u>-</u>	<u>-</u>

5. **Taxation**

The company has been exempted from any tax in Hong Kong under section 88 of Inland Revenue Ordinance in view of its public and charitable character since its incorporation on 2 August 2002.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

6. Property, plant and equipment

	Leasehold property HK\$	Furniture and fixtures HK\$	Total HK\$
<u>Cost</u>			
At 31.12.2019	3,056,685	116,612	3,173,297
Additions	-	-	-
At 31.12.2020	<u>3,056,685</u>	<u>116,612</u>	<u>3,173,297</u>
<u>Depreciation</u>			
At 31.12.2019	656,399	116,612	773,011
Charge for the year	82,050	-	82,050
At 31.12.2020	<u>738,449</u>	<u>116,612</u>	<u>855,061</u>
<u>Carrying amount</u>			
At 31.12.2019	<u>2,400,286</u>	<u>-</u>	<u>2,400,286</u>
At 31.12.2020	<u>2,318,236</u>	<u>-</u>	<u>2,318,236</u>

The company acquired the leasehold property in November 2012. The leasehold property comprises leasehold land and building situated in Hong Kong and held for own use. It is held under long lease.

7. Amount due from related companies

<u>Name</u>	At 31.12.2020 HK\$	At 31.12.2019 HK\$	Maximum debit during year HK\$
SEND International, Inc	<u>65,342</u>	<u>307,903</u>	307,903

The amount due is unsecured, interest free and has no fixed terms of repayment.

8. General fund

	2020 HK\$	2019 HK\$
At the beginning of the year	2,488,600	2,704,083
Transfer to income and expenditure	(178,705)	(427,513)
Transfer from missionaries fund	171,714	212,030
At the end of the year	<u>2,481,609</u>	<u>2,488,600</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

9. Missionaries fund

	2020 HK\$	2019 HK\$
At the beginning of the year	<u>4,902,571</u>	<u>5,200,714</u>
<u>Transfer from / (to) income and expenditure:-</u>		
Donations received - missionaries fund	7,876,995	7,622,758
Government subsidy from Anti-epidemic Fund - missionaries	538,242	-
Donations paid - missionaries support	(2,110,210)	(4,068,492)
Missionaries expenses - appointee expenses	(184)	(13,150)
Missionaries expenses - field work expenses	(589,337)	(699,305)
Missionaries expenses - retirement schemes	(379,735)	(295,487)
Missionaries expenses - salaries	<u>(3,825,109)</u>	<u>(2,632,437)</u>
	<u>1,510,662</u>	<u>(86,113)</u>
<u>Transfer to general fund:-</u>		
Administrative expenses	<u>(171,714)</u>	<u>(212,030)</u>
At the end of the year	<u><u>6,241,519</u></u>	<u><u>4,902,571</u></u>

10. Changes in equity

	General fund HK\$	Missionaries fund HK\$	Total HK\$
At 31.12.2019	2,488,600	4,902,571	7,391,171
Surplus / (deficit) for the year	(178,705)	1,510,662	1,331,957
Transfer from / (to) other fund reserves	171,714	(171,714)	-
At 31.12.2020	<u><u>2,481,609</u></u>	<u><u>6,241,519</u></u>	<u><u>8,723,128</u></u>

11. Other related party transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the company had the following material transactions with related parties:

	2020 HK\$	2019 HK\$
Missionaries expenses managed and distributed to the missionaries via related companies	<u>377,432</u>	<u>542,031</u>