

**CENTRAL GOSPEL MISSION LIMITED**  
 (LIMITED BY GUARANTEE  
 WITHOUT A SHARE CAPITAL)

REPORTS  
 AND FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED  
 31ST DECEMBER, 2020



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**HOTAKSANG & CO.,**  
 Certified Public Accountants, Hong Kong

何德生會計師事務所

**CENTRAL GOSPEL MISSION LIMITED**

**REPORT OF THE DIRECTORS**

The Directors have pleasure in presenting to Members their annual report together with the audited financial statements of the Company for the year ended 31st December, 2020.

**PRINCIPAL ACTIVITIES**

The Company is principally engaged in the propagation of the Christian Gospel.

**RESERVES**

The amounts and particulars of material transfers to and from Reserves during the year are set out in the Statement of Changes in Funds.

**DIRECTORS**

The following Directors held office during the year:-

- Ms. Chow Siu Shan Suzanne
- Ms. Chiu Man Wa
- Mr. Chung Chi Kwong
- Mr. Fu Chi Kai
- Mr. Lau Kwok Ming
- Mr. Wong Chi Kong Roland
- Mr. Wong Kwong Hing
- Mr. Leung Wing Seen Stephen (Appointed on 15th September, 2020)

In accordance with the Company's Articles of Association, all existing directors shall retire and being eligible, offer themselves for re-election.

Subsequent to the end of reporting period, on 1st January, 2021, Ms. Chow Siu Shan Suzanne resigned as director.

**BUSINESS REVIEW**

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

**MANAGEMENT CONTRACTS**

No contracts falling under the provisions of section 543 of Hong Kong Companies Ordinance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the financial year.

On behalf of the Board



Wong Chi Kong Roland

Director

Dated: 28 SEP 2021



**HOTAK SANG & CO.,**  
Certified Public Accountants, Hong Kong

何德生會計師事務所

**Partners:**

LEUNG Ka Wa *FCPA (Practising), FCCA, FTIHK, CTA*  
CHANG Miranda *FCPA (Practising), CPA (Aust), FTIHK, CTA*  
LEE Sau Wai, Mary *FCPA (Practising)*

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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CENTRAL GOSPEL MISSION LIMITED**

(Company limited by guarantee without a share capital and incorporated in Hong Kong)

**Opinion**

We have audited the financial statements of Central Gospel Mission Limited set out on pages 5 to 13, which comprise the Statement of Financial Position as at 31st December, 2020, the Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows for the year then ended, and Notes on 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 Company as at 31st December, 2020, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for PE") 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 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.

**Information other than the Financial Statements and Auditors' Report thereon**

The directors are responsible for the other information. The other information comprises information contained in the directors' report.

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 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 PE 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.

**Auditors' Responsibilities for the Audit of the Financial Statements**

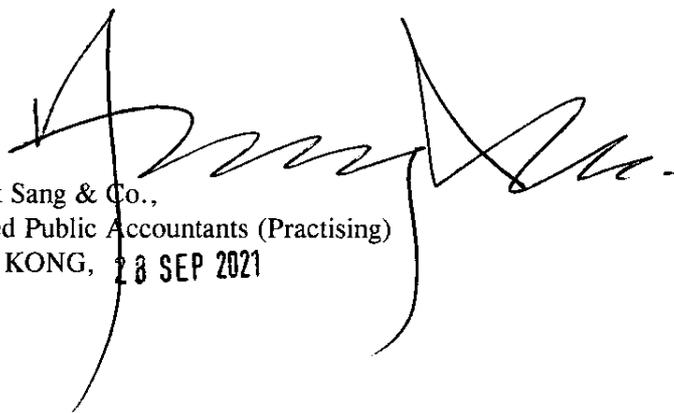
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

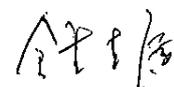
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Ho Tak Sang & Co.,  
Certified Public Accountants (Practising)  
HONG KONG, 28 SEP 2021

**CENTRAL GOSPEL MISSION LIMITED****STATEMENT OF FINANCIAL POSITION AS AT  
31ST DECEMBER, 2020**

	Note	2020 HK\$	2019 HK\$
<b>Non-current Assets</b>			
Property, Plant and Equipment	3	<u>28,572</u>	<u>16,285</u>
<b>Current Assets</b>			
Prepayments		9,508	32,505
Sundry Receivables		18,776	44,884
Utility Deposits		12,250	12,250
Cash and Bank Balances		2,015,656	929,739
Cash with Payment Gateway		1,839	6,001
		<u>2,058,029</u>	<u>1,025,379</u>
<b>Current Liabilities</b>			
Accruals		(30,979)	(20,561)
Receipts in Advance		(420)	(50)
		<u>(31,399)</u>	<u>(20,611)</u>
<b>Net Current Assets</b>		<u>2,026,630</u>	<u>1,004,768</u>
<b>Total Assets less Current Liabilities</b>		<u>2,055,202</u>	<u>1,021,053</u>
Financed by:			
<b>Reserves</b>			
Accumulated Surplus		1,247,317	193,629
Development Fund		300,000	300,000
Staff Retirement Reserve Fund		390,000	390,000
		<u>1,937,317</u>	<u>883,629</u>
<b>Non-current Liabilities</b>			
Post-employment Benefits	4	117,885	137,424
<b>Total Reserves and Non-current Liabilities</b>		<u>2,055,202</u>	<u>1,021,053</u>

Wong Chi Kong Roland  
DirectorChung Chi Kwong  
Director

**CENTRAL GOSPEL MISSION LIMITED****STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31ST DECEMBER, 2020**

	Note	2020 HK\$	2019 HK\$
<b>INCOME</b>			
Offerings Received	5	2,907,623	2,688,129
Government Subsidy - Employment Support Scheme	5	369,632	0
Interest Income	5	21	768
Sundry Income	5	53,924	96,835
<b>TOTAL INCOME</b>		<b>3,331,200</b>	<b>2,785,732</b>
<b>LESS: EXPENDITURES</b>			
Auditors' Remuneration		7,900	7,900
Bank Charges		15,334	6,416
Building Management Fees		22,392	22,392
Cleaning		33,037	30,596
Depreciation		10,766	6,154
Electricity, Water and Tele-communications		36,366	41,711
Employment Costs	6	1,898,322	2,096,665
Expenses for 40th Anniversary Celebration		3,200	36,295
Gospel Work Expenses		88,161	129,683
Insurance		10,539	9,258
Postage		1,989	1,218
Printing and Stationery		10,598	14,289
Promotion Expenses		118,599	397,040
Rates		1,300	14,075
Repairs and Maintenance		9,120	1,430
Sundry Expenses		8,210	9,721
Travelling		1,679	584
<b>TOTAL EXPENDITURES</b>		<b>2,277,512</b>	<b>2,825,427</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>1,053,688</b>	<b>(39,695)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,053,688</b>	<b>(39,695)</b>

**CENTRAL GOSPEL MISSION LIMITED****STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED****31ST DECEMBER, 2020**

	<b>Development Fund</b>	<b>Staff Retirement Reserve Fund</b>	<b>Accumulated Surplus</b>	<b>Total HK\$</b>
Balance as at 31st December, 2018	300,000	0	623,324	923,324
Total Comprehensive Income for the year ended 31st December, 2019	0	0	(39,695)	(39,695)
Transfer to Staff Retirement Reserve Fund	0	390,000	(390,000)	0
Balance as at 31st December, 2019	300,000	390,000	193,629	883,629
Total Comprehensive Income for the year ended 31st December, 2020	0	0	1,053,688	1,053,688
Balance as at 31st December, 2020	<u>300,000</u>	<u>390,000</u>	<u>1,247,317</u>	<u>1,937,317</u>

**CENTRAL GOSPEL MISSION LIMITED****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31ST DECEMBER, 2020**

	Note	2020 HK\$	2019 HK\$
<b>Cash flows from operating activities</b>			
Surplus/(Deficit) for the year		1,053,688	(39,695)
Adjustment for:			
Reversal of Provision for Long Service Payments		(19,539)	(11,926)
Depreciation		10,766	6,154
Interest Income		(21)	(768)
Operating Surplus/(Deficit) before working capital changes		1,044,894	(46,235)
Decrease/(Increase) in Prepayments		22,997	(28,454)
Decrease in Sundry Receivables		26,108	7,633
Increase in Accruals		10,418	12,661
Increase/(Decrease) in Receipts in Advance		370	(119,950)
<b>Net cash from/(used in) operating activities</b>		<b>1,104,787</b>	<b>(174,345)</b>
<b>Cash flows from investing activities</b>			
Payments to Acquire Property, Plant and Equipment		(23,053)	(12,864)
Interest Received		21	768
<b>Net cash used in investing activities</b>		<b>(23,032)</b>	<b>(12,096)</b>
<b>Cash flows from financing activities</b>		<b>0</b>	<b>0</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>1,081,755</b>	<b>(186,441)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	8	<b>935,740</b>	<b>1,122,181</b>
<b>Cash and Cash Equivalents at End of Year</b>	8	<b>2,017,495</b>	<b>935,740</b>

**CENTRAL GOSPEL MISSION LIMITED****NOTES ON THE FINANCIAL STATEMENTS****Reporting Entity**

Central Gospel Mission Limited is a company limited by guarantee without a share capital and incorporated in Hong Kong, and is a charitable institution exempted from tax under Section 88 of the Inland Revenue Ordinance. The Company's registered office is located at Room 304, Hung Kei Mansion, 5-8 Queen Victoria Street, Central, Hong Kong. The Company is principally engaged in the propagation of the Christian Gospel.

**1 PRINCIPAL ACCOUNTING POLICIES****a. Basis of Preparation**

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for PE") issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

In addition, these financial statements have been prepared under the historical cost convention and on the basis that the Company is a going concern.

Furthermore, the Company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Chapter 622) and is therefore entitled to exemption of specific disclosure requirements relating to the preparation of financial statements and directors' report under the Hong Kong Companies Ordinance.

The financial statements are presented in Hong Kong Dollars, which is the functional currency of the Company.

**b. Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of each item comprises its purchase price and any directly attributable costs of bringing the item to working condition and location for its intended use.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally recognised as an expense in the profit or loss in the period in which they are incurred. In situation 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, the expenditure is capitalised as an additional cost of the property, plant and equipment.

**CENTRAL GOSPEL MISSION LIMITED****NOTES ON THE FINANCIAL STATEMENTS****1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****b. Property, Plant and Equipment (Continued)**

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

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives using the straight-line method at the following annual rates:

Leasehold Land	Over the remaining lease term
Buildings	Over 40 years
Furniture and Fixtures	20%
Leasehold Improvement	20%

**c. Impairment of Assets**

At each date of statement of financial position, the Company 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. Impairment losses are recognised as an expense immediately.

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

**d. Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any discounts and volume rebates allowed by the Company. 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 basis:

- (i) Offerings received are recognised on cash basis.
- (ii) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.
- (iii) Grants and subsidies are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

**CENTRAL GOSPEL MISSION LIMITED****NOTES ON THE FINANCIAL STATEMENTS****1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****e. Employee Benefits****(i) Employee Retirement Benefits Costs**

The Company operates an approved defined contribution retirement benefits scheme for employees: a Mandatory Provident Fund (MPF) Scheme under the Mandatory Provident Fund Schemes Ordinance.

The contributions payable to the Company's defined contribution retirement benefits scheme are recognised as an expense in the income and expenditure account as incurred.

**(ii) Post-employment Benefits in the form of Long Service Payments**

Under the provisions of the Employment Ordinance, when certain conditions are fulfilled, the Company is required to make long service payments to its employees on termination of their employment or retirement. Provision is made for these long services payments, based on the Company's past experience and the directors' knowledge of the business and work force.

Where an employee is simultaneously entitled to long service payments and to a retirement benefits scheme, the amount of long service payments provision is reduced by the benefits arising from the retirement scheme.

**f. Cash and Cash Equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

**2 SIGNIFICANT 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 circumstances.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of statement of financial position, 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.

**Useful lives of Property, Plant and Equipment**

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The estimated useful lives reflect the management's estimate of the period that the Company could derive future economic benefits from the use of these assets.

**CENTRAL GOSPEL MISSION LIMITED****NOTES ON THE FINANCIAL STATEMENTS****3 PROPERTY, PLANT AND EQUIPMENT**

<b>Cost</b>	<b>Leasehold Improvement</b>	<b>Furniture and Fixtures</b>	<b>Land and Buildings in Hong Kong</b>	<b>Total HK\$</b>
As at 1.1.2019	181,830	213,555	3,100,000	3,495,385
Additions during Year	0	12,864	0	12,864
Disposals during Year	0	0	0	0
As at 31.12.2019 and 1.1.2020	181,830	226,419	3,100,000	3,508,249
Additions during Year	0	23,053	0	23,053
Disposals during Year	0	0	0	0
As at 31.12.2020	181,830	249,472	3,100,000	3,531,302
<b>Deduct:</b>				
<b>Accumulated Depreciation</b>				
As at 1.1.2019	181,830	203,981	3,099,999	3,485,810
Additions during Year	0	6,154	0	6,154
Disposals during Year	0	0	0	0
As at 31.12.2019 and 1.1.2020	181,830	210,135	3,099,999	3,491,964
Additions during Year	0	10,765	1	10,766
Disposals during Year	0	0	0	0
As at 31.12.2020	181,830	220,900	3,100,000	3,502,730
<b>Net Book Value</b>				
As at 31.12.2020	0	28,572	0	28,572
As at 31.12.2019	0	16,284	1	16,285

**4 POST-EMPLOYMENT BENEFITS**

	<b>2020 HK\$</b>	<b>2019 HK\$</b>
<b>Provision for Long Service Payments</b>		
Balance at Beginning of Year	137,424	149,350
Reversal during the year	(19,539)	(11,926)
Balance at End of Year	117,885	137,424

**CENTRAL GOSPEL MISSION LIMITED****NOTES ON THE FINANCIAL STATEMENTS**

<b>5 REVENUE</b>	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>

Revenues recognised during the year are as follows:

Offerings Received	2,907,623	2,688,129
Government Subsidy - Employment Support Scheme	369,632	0
Interest Income	21	768
Sundry Income	53,924	96,835
	<u>3,331,200</u>	<u>2,785,732</u>

**6 EMPLOYMENT COSTS**

Salaries and Allowances	1,829,162	2,013,934
Mandatory Provident Fund Contributions	88,699	94,657
Reversal of Provision for Long Service Payments	(19,539)	(11,926)
	<u>1,898,322</u>	<u>2,096,665</u>

**7 DIRECTORS' EMOLUMENTS**

During the year, no amounts were paid in respect of directors' emoluments, directors' retirement benefits or payments made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity while acting as directors.

**8 NOTES TO STATEMENT OF CASH FLOWS****Cash and Cash Equivalents**

Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position:

Cash on hand and balances with banks	2,015,656	929,739
Cash with Payment Gateway	1,839	6,001
	<u>2,017,495</u>	<u>935,740</u>

**9 APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved and authorized for issue by the board of directors on  
28 SEP 2021 .