

BUDDHIST YOUTH ASSOCIATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020



S. F. Kwok & Co.
Certified Public Accountants



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BUDDHIST YOUTH ASSOCIATION LIMITED

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BUDDHIST YOUTH ASSOCIATION LIMITED

EXECUTIVE COMMITTEE MEMBERS' REPORT

The executive committee members submit their annual report together with the audited financial statements for the year ended 31st December 2020.

PRINCIPAL ACTIVITIES

The principal activities of Buddhist Youth Association Limited ("the Association") are to promote Buddhism and sponsor various activities to benefit the youths spiritually.

THE STATE OF THE ASSOCIATION'S AFFAIRS

The state of the Association's affairs as at 31st December 2020 are set out in the financial statements on pages 6 to 13.

EXECUTIVE COMMITTEE MEMBERS

The executive committee members of the Association during the year and up to the date of this report were:

Chan Chung Ching

Chan Wai Yee

Law Hang Wai

Leung Pui Kwok

Liu Man Hing

Sik Wai Tat

Tsui Lai Har

Wong Lai Yung

Wong Ming Fong

Yuen Man Chung

Yuen Michael Ming To

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more executive committee members of the Association.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more executive committee members of the Association.

BUDDHIST YOUTH ASSOCIATION LIMITED

EXECUTIVE COMMITTEE MEMBERS' 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.

On Behalf of the Board



Yuen Man Chung

Executive committee member

Hong Kong, 7th September 2021

S. F. Kwok & Co.

Certified Public Accountants

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G.P.O. Box 5780, HK



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUDDHIST YOUTH ASSOCIATION LIMITED

(a company limited by guarantee incorporated in Hong Kong)

Opinion

We have audited the financial statements of Buddhist Youth Association Limited ("the Association") set out on pages 6 to 13, which comprise the statement of financial position as at 31st December 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the 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 PN 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 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 Auditor's Report Thereon

The executive committee members are responsible for the other information. The other information comprises the information included in the executive committee members' 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.

S. F. Kwok & Co.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUDDHIST YOUTH ASSOCIATION LIMITED

(a company limited by guarantee incorporated in Hong Kong)
(continued)

Responsibilities of Executive Committee Members for the Financial Statements

The executive committee members 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 executive committee members 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 executive committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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. We report our opinion 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUDDHIST YOUTH ASSOCIATION LIMITED

(a company limited by guarantee incorporated in Hong Kong)

(continued)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.

We communicate with the executive committee members 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.

S. F. KWOK & CO.

Certified Public Accountants

**Room 1609-11, 16/F, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong.**

7th September 2021

BUDDHIST YOUTH ASSOCIATION LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020**

	Note	2020 HK\$	2019 HK\$
Revenue	2	6,465,052.31	9,250,528.80
Other income		1,153,485.68	107,200.00
Expenditures		(3,572,104.39)	(8,598,972.91)
Finance costs	3	(3,007.99)	(4,959.14)
Surplus for the year	4	4,043,425.61	753,796.75
Accumulated funds at start of the year		33,026,654.76	32,272,858.01
Accumulated funds at end of the year	8	37,070,080.37	33,026,654.76

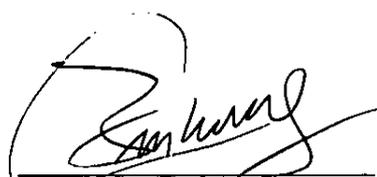
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

BUDDHIST YOUTH ASSOCIATION LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020**

	Note	2020 HK\$	2019 HK\$
Non-current assets			
Property, plant and equipment	7	10,858,749.30	11,252,038.85
Current assets			
Deposits and prepayments		162,540.20	566,050.80
Interest receivables		74,983.47	198,274.04
Cash and bank balances		26,276,398.15	21,403,103.68
		<u>26,513,921.82</u>	<u>22,167,428.52</u>
Less: Current liabilities			
Accruals and other payables		260,639.62	310,861.47
Hire purchase creditor	6	41,951.13	81,951.14
		<u>302,590.75</u>	<u>392,812.61</u>
Net current assets		<u>26,211,331.07</u>	<u>21,774,615.91</u>
Net assets		<u>37,070,080.37</u>	<u>33,026,654.76</u>
Accumulated funds			
Total funds	8	<u>37,070,080.37</u>	<u>33,026,654.76</u>

The financial statements were approved and authorised for issue by the board of directors on 7th September 2021.


Yuen Man Chung


Leung Pui Kwok

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

BUDDHIST YOUTH ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

REPORTING ENTITY

Buddhist Youth Association Limited ("the Association") is a company limited by guarantee. Every member of the Association undertakes to contribute an amount of not exceeding five dollars in the event of its being wound up during the time that he or she is a member, or within one year afterwards before he ceases to be a member.

The address of its registered office is located at Flat B, 6/F, International Industrial Building, 501-503 Castle Peak Road, Kowloon, Hong Kong.

The principal activity of the Association is to promote Buddhism and sponsor various activities to benefit the youths spiritually.

1. 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). The Association is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the "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 base 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) Revenue

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 bases:

- (i) Donations and contributions are recorded as income on cash basis.
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Foreign exchange

The reporting currency of the Association is Hong Kong Dollars, which is the currency of the primary economic environment in which the Association operates.

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.

BUDDHIST YOUTH ASSOCIATION LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(c) Taxation

No provision has been made for Hong Kong profits tax since the Association has been exempted under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable organisation of a public character.

(d) 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:

Land	Over the lease term
Building	2% or over remaining estimated useful lives
Furniture and Fixtures	20%
Motor Vehicles	30%
Office Equipment	20%
Leasehold Improvement	20%

(e) 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 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.

(f) Operating 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.

BUDDHIST YOUTH ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(g) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(ii) Retirement benefit obligations

The company's contribution to the mandatory provident fund scheme are expensed as incurred.

(h) Hire purchase contracts

A hire purchase contract is a contract for the hire of an asset which contains a provision giving the hirer an option to acquire the legal title to the asset upon the fulfillment of certain conditions stated in the contract. At the inception of a hire purchase contract, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Hire charges are debited to the income statement on a straight line basis over the lease term.

2. REVENUE

An analysis of the Association's revenue is as follows:

	2020	2019
	HK\$	HK\$
Donations	6,090,023.31	8,821,512.32
Interest income	375,029.00	429,016.48
	<u>6,465,052.31</u>	<u>9,250,528.80</u>

Included in the donations, there was an approval fund raising event for the purposes of providing educational fee for poor Dharma Masters, annual liberation of sentient living beings, printing of beneficial Buddhist Books for believers and non-believers, cleaning and beautifying the Butterfly Bay Area etc. The gross incomes and expenditures were of HK\$1,138,470 (HK\$337,630 for permit no. 2019/065/1 and HK\$800,840 for permit no. 2020/042/1) and HK\$2,500 (for permit no. 2019/065/1) respectively.

BUDDHIST YOUTH ASSOCIATION LIMITED**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020****3. FINANCE COST**

	2020	2019
	HK\$	HK\$
Hire purchase interest	3,007.99	4,959.14

4. SURPLUS FOR THE YEAR

Surplus for the year is stated at:

	2020	2019
	HK\$	HK\$
After crediting the following items:		
Gain on disposal of property, plant and equipment	-	107,200.00
Sundry income	171,802.00	-
Exchange gain	981,683.68	-
and after charging the following items:		
Depreciation - owned assets	997,557.15	910,002.10
- leases assets	96,032.40	96,032.40
Donations	150,801.30	1,617,494.05
Exchange loss	-	394,924.20
Operating leases - land and building	36,600.00	26,850.00
Staff costs - salaries and allowances	548,821.13	550,619.26
- MPF contribution	20,798.14	20,080.06

5. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

None of the executive committee members received or will receive any fees or emoluments in respect of their services to the Association during the year (2019 - Nil).

6. OBLIGATIONS UNDER HIRE PURCHASE CONTRACT

The carrying value of lease payments under hire purchases contracts are as follows:

	2020	2019
	HK\$	HK\$
Not later than one year	41,951.13	40,000.01
Later than one year which contain a repayment on demand clause	-	41,951.13
	41,951.13	81,951.14

BUDDHIST YOUTH ASSOCIATION LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Leasehold land and buildings HK\$	Motor Vehicles HK\$	Furniture & Fixtures HK\$	Office Equipment HK\$	Leasehold Improvement HK\$	Total HK\$
At 1/1/2020	14,570,775.00	320,108.00	718,643.51	690,202.40	3,652,380.39	19,952,109.30
Additions	-	-	20,300.00	-	680,000.00	700,300.00
At 31/12/2020	14,570,775.00	320,108.00	738,943.51	690,202.40	4,332,380.39	20,652,409.30
Accumulated depreciation						
At 1/1/2020	5,034,069.75	96,032.40	696,267.50	636,699.60	2,237,001.20	8,700,070.45
Charge for the year	390,451.95	96,032.40	10,920.01	21,906.00	574,279.19	1,093,589.55
At 31/12/2020	5,424,521.70	192,064.80	707,187.51	658,605.60	2,811,280.39	9,793,660.00
Net carrying amount						
At 31/12/2020	9,146,253.30	128,043.20	31,756.00	31,596.80	1,521,100.00	10,858,749.30
At 31/12/2019	9,536,705.25	224,075.60	22,376.01	53,502.80	1,415,379.19	11,252,038.85

The net book value of motor vehicles held under hire purchase contracts amounted to HK128,043.20 (2019: HK224,075.60).

BUDDHIST YOUTH ASSOCIATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

8. ACCUMULATED FUNDS

The Association is a charitable institute limited by guarantee and the accumulated funds are not distributable to its members.

The details of the funds are as follows:

	2020 HK\$	2019 HK\$
Reserved fund balance	3,050,000.00	3,050,000.00
Unreserved fund balance	34,020,080.37	29,976,654.76
	<u>37,070,080.37</u>	<u>33,026,654.76</u>

The reserved fund balance represents surplus reserved specially for property acquisition.

9. COMMITMENTS

At 31st December 2020, the capital commitments outstanding not provided for in the financial statements are as follows:

	2020 HK\$	2019 HK\$
Contracted but not provided for	<u>180,000.00</u>	<u>180,000.00</u>