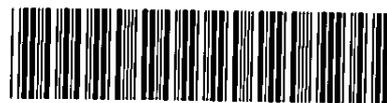


**ASIAN OUTREACH HONG KONG LIMITED AND ITS  
SUBSIDIARY**

*(Incorporated in Hong Kong with limited liability by guarantee)*

**REPORTS AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**



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ASIAN OUTREACH HONG KONG LIMITED  
AND ITS SUBSIDIARY  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

楊敏華會計師行  
Yeung Man Wah & Co.  
Certified Public Accountants (Practising)  
Hong Kong

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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ASIAN OUTREACH HONG KONG LIMITED (the “Company”) AND  
ITS SUBSIDIARY (the “Group”)  
DIRECTORS’ REPORT

The directors present this report and the audited consolidated financial statements for the year ended 31 March 2021.

## OPERATIONS REVIEW

### Review of Operation

The activities of the Group during the year are classified into 4 areas.

1. Promoting mission outreach to Asians.
2. Spreading the Gospel to the community including minority groups in Hong Kong.
3. Providing elderly and family social services.
4. Providing printing services and selling books for the propagating and disseminating the Gospel.

The financial key performance indicators are

1. Income

The total income amount to \$11,619,812 for the year (2020: \$10,609,242). The increase in 9.53% is mainly attribute to the increase in government grant.

2. Expenditure

The total expenditure on programme activities and administration and other costs for the year are \$10,221,272 (2020: \$9,904,657). The increase is mainly attribute to the increase in cost of books and printing service and staff remuneration during the year.

### Compliance with relevant laws and regulation

The Group mainly relies on government grants and outside donations to carry out its activities. All the funds received were used in compliance with the relevant regulations and requirements.

### Key Relations with employees and the community

The Group maintains permanent staff for organisation of activities and administration. The Group maintains good relationship with staff. In respect of involvement in local community, many activities organised and carried out by the Group during the year were to serve the community.

## CONSOLIDATED FINANCIAL STATEMENTS

The state of affairs of the Company and the Group at 31 March 2021 is set out in the consolidated statement of financial position on page 20 and page 7 respectively.

The results for the year are set out in the consolidated statement of comprehensive income on page 8.

The Company’s consolidated statement of cash flows is set out on page 10.

ASIAN OUTREACH HONG KONG LIMITED (the "Company") AND  
ITS SUBSIDIARY (the "Group")  
DIRECTORS' REPORT (Cont'd)

PRINCIPAL ACTIVITIES

Details of the principal activities of the Company are set out in note 1 to the financial statements.

RESERVES

The details of the movements in the Company's and the Group's reserve on page 21 and page 9 respectively.

DIRECTORS

The directors who held office during the year and up to the date of this report were:

(i) The directors who held office during the year and up to the date of this report were:

CHENG Yeuk Pui, Sunny  
CHOY Hong Yee, Colon  
KWAN Yui Huen  
LEE Hung Hing  
LO Yuk Lai, Ivan  
WONG Ping Him  
YEUNG Hon Yee  
YEUNG Ki Fai

In accordance with the articles of association of the Company all directors shall retire from office and are eligible for re-election.

(ii) Directors of the subsidiary during the year and up to the date of report were:

CHOY Hong Yee, Colon  
WONG Shun Wai

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance to which the Company, was a party subsisted at the end of the year or at any time during the year in which any director had a material interest.

ASIAN OUTREACH HONG KONG LIMITED (the "Company") AND  
ITS SUBSIDIARY (the "Group")  
DIRECTORS' REPORT (Cont'd)

AUDITOR

The auditor, Yeung Man Wah & Co. will retire at the forthcoming Annual General Meeting but, being eligible, offer themselves for re-appointment.

On behalf of the Board



YEUNG Hon Yee  
Chairman  
Hong Kong  
28 September 2021

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
(incorporated in Hong Kong with limited liability by guarantee)**

**Opinion**

We have audited the financial statements of ASIAN OUTREACH HONG KONG LIMITED (the "Company") and its subsidiary (the "Group") set out on pages 7 to 22, which comprise the Group's consolidated statement of financial position as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity funds and consolidated statement of cash flows for the year ended 31 March 2021 then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021 and of its consolidated financial performance and its consolidated 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 ("HKSAs") 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 Group 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements**

The directors are responsible for the preparation of the consolidated 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 director determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT (Cont'd)  
TO THE MEMBERS OF ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
(incorporated in Hong Kong with limited liability by guarantee)**

**Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements (Cont'd)**

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

**Auditor's responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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. The report is made solely to you, as a body, in accordance with section 405 of 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 the report. 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 consolidated financial statements.

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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT (Cont'd)**  
**TO THE MEMBERS OF ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY**  
**(incorporated in Hong Kong with limited liability by guarantee)**

**Auditor's responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*Yeung Man Wah & Co.*

**Yeung Man Wah & Co.**  
**Certified Public Accountants (Practising)**  
**2/F., Wing Yee Commercial Building,**  
**5 Wing Kut Street, Central**  
**Hong Kong**  
**28 September 2021**

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	894,223	1,106,228
<b>CURRENT ASSETS</b>			
Inventories		496	3,016
Account and other receivables		41,295	87,376
Deposits and prepayments		144,294	219,527
Project payment in advance	4	21,180	112,351
Cash and bank balances		<u>7,469,914</u>	<u>5,598,705</u>
		<u>7,677,179</u>	<u>6,020,975</u>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		431,915	250,683
Project deferred income	5	1,099,777	1,088,186
Receipt in advance		7,450	119,395
		<u>1,539,142</u>	<u>1,458,264</u>
<b>NET CURRENT ASSETS</b>		<u>6,138,037</u>	<u>4,562,711</u>
<b>NET ASSETS</b>		<u>7,032,260</u>	<u>5,668,939</u>
Represented by:			
<b>EQUITY FUNDS</b>			
General Fund	6	3,787,417	2,439,558
GLNC Funds	7	-	-
IHEC Funds	8	1,670,172	1,654,710
Reserve Funds	9	854,478	854,478
Specific Funds	10	720,193	720,193
<b>TOTAL EQUITY</b>		<u>7,032,260</u>	<u>5,668,939</u>

Approved by the Board of Directors on 28 September 2021  
On behalf of the Board

  
\_\_\_\_\_  
LEE Hung Hing  
Director

  
\_\_\_\_\_  
CHOY Hong Yee, Colon  
Director

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

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
Principal income			
Government grants		6,920,674	6,064,686
Donations, subsidies and programme income		3,973,033	4,249,312
Sale and printing service income		<u>400,206</u>	<u>22,619</u>
		11,293,913	10,336,617
Other revenues			
Bank interest		21,250	63,535
Membership fees		28,448	35,898
Royalties received		91,974	67,010
Sundry revenues		<u>184,227</u>	<u>106,182</u>
		325,899	272,625
TOTAL INCOME	11	11,619,812	10,609,242
LESS: EXPENDITURE			
Audit fee		51,430	49,331
Bank interest and charges		6,019	7,322
Cost of books and printing service		258,585	7,363
Depreciation		413,104	398,146
Donation		201,649	118,383
Programme and administration expenses	13	2,364,856	2,661,895
Rent and rates paid		285,944	315,910
Staff remuneration		<u>6,639,685</u>	<u>6,346,307</u>
		10,221,272	9,904,657
Surplus for the year		<u><u>1,398,540</u></u>	<u><u>704,585</u></u>

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FUNDS  
YEAR ENDED 31 MARCH 2021

	General fund HK\$	GLNC fund HK\$	IHEC fund HK\$	Reserve fund HK\$	Specific fund HK\$	Total HK\$
Balance at 1 April 2019	2,034,057	-	1,361,293	854,478	714,526	4,964,354
Surplus/(Deficit) for the year	431,591	(234,922)	507,916	-	-	704,585
Fund transfer	(26,090)	234,922	(214,499)	-	5,667	-
Balance at 31 March 2020	<u>2,439,558</u>	<u>-</u>	<u>1,654,710</u>	<u>854,478</u>	<u>720,193</u>	<u>5,668,939</u>
Surplus/(Deficit) for the year	1,148,606	147,673	102,261	-	-	1,398,540
Fund transfer	199,253	(147,673)	(51,580)	-	-	-
Clawback	-	-	(35,219)	-	-	(35,219)
Balance at 31 March 2021	<u>3,787,417</u>	<u>-</u>	<u>1,670,172</u>	<u>854,478</u>	<u>720,193</u>	<u>7,032,260</u>

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED 31 MARCH 2021

	2021 HK\$	2020 HK\$
Cash flows from operating activities		
Surplus for the year	1,398,540	704,585
Adjustment for:		
Depreciation charges	413,104	398,146
Furniture and fixtures written off	-	9,147
Operating surplus before working capital changes	<u>1,811,644</u>	<u>1,111,878</u>
Decrease in inventory	2,520	3,631
Decrease/(Increase) in account and other receivables	46,081	(47,024)
Decrease/(Increase) in deposits and prepayment	75,233	(133,040)
Decrease/(Increase) in project payment in advance	91,171	(103,423)
Increase in project deferred income	11,591	379,499
Increase in other payables and accruals	181,232	121,364
(Decrease)/Increase in receipt in advance	<u>(111,945)</u>	<u>113,540</u>
Net cash generated from operating activities	<u>2,107,527</u>	<u>1,446,425</u>
Cash flows from investing activities		
Acquisition of furniture, fixtures and equipment	<u>(201,099)</u>	<u>(596,985)</u>
Net cash used in investing activities	<u>(201,099)</u>	<u>(596,985)</u>
Cash flows from financing activities		
Fund clawback	<u>(35,219)</u>	<u>-</u>
Net cash used in financing activities	<u>(35,219)</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>1,871,209</u>	<u>849,440</u>
Cash and cash equivalents at the beginning of the year	5,598,705	4,749,265
Cash and cash equivalents at the end of the year	<u>7,469,914</u>	<u>5,598,705</u>
Analysis of the balances of cash and cash equivalents		
Cash in hand	84,033	84,142
Cash at bank	7,385,881	5,514,563
	<u>7,469,914</u>	<u>5,598,705</u>

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

1 GENERAL INFORMATION

The Company was incorporated in Hong Kong with limited liability by guarantee under the Companies Ordinance. The Company's registered office is located at Room 2A, 114 How Ming Street, Kwun Tong, Hong Kong.

The Company and its subsidiary are a non-profit-making organization and is exempted from payment of tax under Section 88 of the Inland Revenue Ordinance and is also exempted from business registration.

The principal activities of the Company are the conducting of outreach activities, study tours, course and seminars in promoting the Gospel and the running of elderly and family social service centers. The principal activities of the subsidiary are selling books and providing printing services for the propagation and disseminating the Gospel.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of consolidation

These consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary. A subsidiary is an entity (including special purpose entity) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally but not necessarily accompanying a shareholding of more than half of the voting power. The subsidiary is fully consolidated from the date on which control is transferred to the Group and is de-consolidated from the date that control ceases.

All intragroup transactions, balance, income, and expenses are eliminated. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group. There is no difference in the reporting date of the financial statements of the Company and its subsidiary used in the preparation of the consolidated financial statements.

In the Company's statement of financial position, the investment in a subsidiary is stated at cost less provision for impairment loss. The results of the subsidiary are accounted for by the Company on the basis of dividends received and receivable.

2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(b) Consolidation of Funds / Reserves

The Company has set up funds for various purposes. They are under the control of directors. The consolidated financial statements of the Group include the consolidated statement of comprehensive income of all funds to provide an overall view of the income and expenditure and changes in equity funds during the year. On consolidation, all inter-funds transaction and transfer are eliminated.

(c) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Assets held under finance leases, for which there is no reasonable certainty that the Group will obtain ownership at the end of the lease term, are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant lease. The following annual rates are used for the depreciation of property, plant and equipment.

The annual depreciation rates adopted for the year are as follows:

Land	- Over the lease term
Buildings	- 10% on straight line method
Furniture and fittings	- 20% on straight line method or 100%
Leasehold improvements	- 20% on straight line method

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Revenue recognition

The principal income of the Company is from offerings and government grants received. The principal income of the subsidiary is from sale of books and provision of printing services.

Sale of goods are recognised as income when the goods are delivered. Printing service fees are recognised as income when the services have been performed.

General offerings and grants are recorded on the cash received basis.

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(d) Revenue recognition (Cont'd)

Designated offerings and grants within the scope and timing of usage defined by the donors are recorded as income when the Group is entitled to the usage of the offerings and grant. As and when the related expenditure is incurred, the same amount of project deferred income is recognised as project income.

Donations-in-kind received are not recorded or reflected in the accounts as it is usually not practicable or possible to obtain or determine their precise fair values.

(e) Staff benefit

The employees are required to join the Mandatory Provident Fund Scheme on the basis of defined contribution to the scheme. Contributions to the above scheme are recognised as expenses when they are due for payment. As the scheme is managed by independent trustees, the retirement funds accumulated for the employees are not shown in the consolidated financial statements. Non-cash benefits including leave entitlement, except for compensation in cash, are also not shown.

3 PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Furniture, fixtures and equipment	Leasehold improvement	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Cost					
At 01.04.2020	852,400	1,266,290	1,733,208	304,000	4,155,898
Additions	-	-	201,099	-	201,099
At 31.03.2021	<u>852,400</u>	<u>1,266,290</u>	<u>1,934,307</u>	<u>304,000</u>	<u>4,356,997</u>
Accumulated depreciation					
At 01.04.2020	313,327	1,266,290	1,263,293	206,760	3,049,670
Charges for the year	19,966	-	332,338	60,800	413,104
At 31.03.2021	<u>333,293</u>	<u>1,266,290</u>	<u>1,595,631</u>	<u>267,560</u>	<u>3,462,774</u>
Net book value					
At 31.03.2021	<u>519,107</u>	<u>-</u>	<u>338,676</u>	<u>36,440</u>	<u>894,223</u>
At 31.03.2020	<u>539,073</u>	<u>-</u>	<u>469,915</u>	<u>97,240</u>	<u>1,106,228</u>

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

4 PROJECT PAYMENT IN ADVANCE

	2021 HK\$	2020 HK\$
IHEC Project Fund	<u>21,180</u>	<u>112,351</u>

5 PROJECT DEFERRED INCOME

	2021 HK\$	2020 HK\$
General Fund	162,699	78,859
IHEC Project Fund	126,046	66,758
GLNC Project Fund	54,035	66,574
Block Grant (Note a)	333,892	249,892
Social Welfare Development Fund (Note b)	<u>423,105</u>	<u>626,103</u>
	<u>1,099,777</u>	<u>1,088,186</u>

Note:

(a) Movement of Block Grant

	2021 HK\$	2020 HK\$
Balance at beginning of year	249,892	191,062
Add: Block grant received during the year	84,000	81,000
Less: Expenditure during the year		
Furniture and equipment	-	(22,170)
Balance at end of year	<u>333,892</u>	<u>249,892</u>

As at 31 March 2021, there were no outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works Block Grant.

(b) Movement of Social Welfare Development Fund Phase 3

	2021 HK\$	2020 HK\$
Balance at beginning of year	626,103	271,588
Add: Allocation received during the year	15,000	515,242
Add: Interest received during the year	3	112
Less: Expenditure	<u>(218,001)</u>	<u>(160,839)</u>
	<u>423,105</u>	<u>626,103</u>

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

6 GENERAL FUND

The general funds of the group incorporate the General Fund of the Company and its subsidiary.

The movements during the year were as follows:

	2021 HK\$	2020 HK\$
Balance at beginning of year	2,439,558	2,034,057
Surplus for the year	1,148,606	431,591
Transfer to Specific Funds	-	(5,667)
Transfer from/(to) GLNC Operating Fund	147,673	(234,922)
Transfer from IHEC Subvention Reserve	51,580	214,499
Balance at end of year	<u>3,787,417</u>	<u>2,439,558</u>

7 GLNC FUNDS

The Company has set up a GLNC Projects Fund and GLNC Operating Fund for Glorious Light Neighbourhood Centre (GLNC). Their respective movements during the year were as follows:

(a) GLNC Projects Fund

	2021 HK\$	2020 HK\$
Balance at beginning of year and at end of year	<u>-</u>	<u>-</u>

(b) GLNC Operating Fund

	2021 HK\$	2020 HK\$
Balance at beginning of year	-	-
Surplus/(Deficit) for the year	147,673	(234,922)
Transfer (to)/from General Fund	<u>(147,673)</u>	<u>234,922</u>
Balance at end of year	<u>-</u>	<u>-</u>

Balance of at end of year (a)+(b)

	<u>-</u>	<u>-</u>
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ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

8 IHEC Funds

The Company has set up various funds for Island Harbourview Elderly Club (IHEC). Their movements during the year were as follows:

(a) IHEC Subvention Reserve

	2021 HK\$	2020 HK\$
Balance at beginning of year	1,619,491	1,326,074
Surplus for the year	102,261	507,916
Transfer to General Fund	(51,580)	(214,499)
Balance at end of year	<u>1,670,172</u>	<u>1,619,491</u>

(b) IHEC Projects Fund

	2021 HK\$	2020 HK\$
Balance at beginning of year and at end of year	<u>-</u>	<u>-</u>

(c) IHEC Development Fund

	2021 HK\$	2020 HK\$
Balance at beginning of year and at end of year	<u>-</u>	<u>-</u>

(d) Social Welfare Development Fund

	2021 HK\$	2020 HK\$
Balance at beginning of year	35,219	35,219
Fund clawback	(35,219)	-
Balance at end of year	<u>-</u>	<u>35,219</u>

Balance of funds at end of year (a)+(b)+(c)+(d)

<u>1,670,172</u>	<u>1,654,710</u>
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ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

9 RESERVE FUND

The movements during the year were as follows:

	2021 HK\$	2020 HK\$
Balance at beginning of year and at end of year	<u>854,478</u>	<u>854,478</u>

10 SPECIFIC FUNDS

(a) ActionLove Reserve:  
 China Project Reserve

	2021 HK\$	2020 HK\$
Balance at beginning of year	83,263	77,596
Transfer from General Fund	-	5,667
Balance at end of year	<u>83,263</u>	<u>83,263</u>

(b) Projects Reserve

Balance at beginning of year and at end of year	<u>636,930</u>	<u>636,930</u>
Balance at end of year (a)+(b)	<u>720,193</u>	<u>720,193</u>

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

11 TOTAL INCOME

The details of total income for the year are as follows:

	2021 HK\$	2020 HK\$
<b>Government grants</b>		
SWD subvention and grants	6,261,256	6,064,686
Employment Support Scheme	659,418	-
	<u>6,920,674</u>	<u>6,064,686</u>
<b>Other donations, subsidies and programme income</b>		
Donation from Community Chest	164,500	140,200
Donation from partner churches	286,822	264,894
General donations	2,632,699	1,805,269
Love Coupon donation	8,619	14,977
Programme income and subsidies	880,393	2,023,972
Sub-total	<u>3,973,033</u>	<u>4,249,312</u>
<b>Sale and printing services</b>	<u>400,206</u>	<u>22,619</u>
<b>Other revenue</b>		
Bank interest	21,250	63,535
Membership fee	28,448	35,898
Royalties received	91,974	67,010
Sundry income	184,227	106,182
Sub-total	<u>325,899</u>	<u>272,625</u>
<b>Total</b>	<u><u>11,619,812</u></u>	<u><u>10,609,242</u></u>

12 DIRECTORS' EMOLUMENTS

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

	2021 HK\$	2020 HK\$
Fee	590,171	637,861
Other emoluments	-	-
	<u>590,171</u>	<u>637,861</u>

Emoluments were paid to one executive director during the year.

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

13 PROGRAMME AND ADMINISTRATION EXPENSES

	2021	2020
	HK\$	HK\$
Advertising	6,475	23,582
Cleaning charges	38,418	28,861
Computer supplies	55,187	57,167
Consultancy fee	243,780	40,000
Exchange loss	3,391	6,872
Hospitality	8,364	16,839
Insurance	55,703	37,501
Internet and broadband	10,726	10,616
Local travelling	1,057	1,289
Medical allowance	30,066	21,432
Members and subscribes	9,480	5,300
Minor Purchase	68,094	66,272
Minor purchase - Furniture and fixtures written off	-	9,147
Newspaper and magazine	4,210	8,214
Office supplies	14,574	14,082
Part-time and volunteers	5,220	24,469
Postage and courier	44,119	44,505
Printing and stationery	37,654	50,987
Production	15,690	39,657
Programme and ministry expenses	1,120,489	1,489,010
Reference materials and study	207,686	89,431
Relief worker	12,877	74,088
Repair and maintenance	205,773	197,752
Staff development	30,520	66,417
Staff welfare	29,598	46,072
Sundries expenses	11,998	2,591
Telephone and fax	11,472	16,664
Transportation	2,841	4,129
Utilities and management fee	79,394	168,949
	<u>2,364,856</u>	<u>2,661,895</u>

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

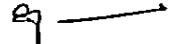
14 FINANCIAL POSITION OF HOLDING COMPANY

ASIAN OUTREACH HONG KONG LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		894,223	1,106,228
Interest in subsidiary company	15	<u>2</u>	<u>2</u>
		894,225	1,106,230
<b>CURRENT ASSETS</b>			
Account and other receivables		39,519	83,254
Deposits and prepayment		144,294	172,663
Project payment in advance		21,180	112,351
Cash and bank balances		<u>7,343,420</u>	<u>5,399,663</u>
		7,548,413	5,767,931
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		405,777	216,586
Project deferred income		1,099,777	1,088,186
Receipt in advance		<u>7,450</u>	<u>119,395</u>
		1,513,004	1,424,167
<b>NET CURRENT ASSETS</b>		<u>6,035,409</u>	<u>4,343,764</u>
<b>NET ASSETS</b>		<u>6,929,634</u>	<u>5,449,994</u>
Represented by:			
<b>EQUITY FUNDS</b>			
General Fund		3,684,791	2,220,613
GLNC Funds		-	-
IHEC Funds		1,670,172	1,654,710
Reserve Funds		854,478	854,478
Specific Funds		<u>720,193</u>	<u>720,193</u>
<b>TOTAL EQUITY</b>	16	<u>6,929,634</u>	<u>5,449,994</u>

Approved by the Board of Directors on 28 September 2021  
 On behalf of the Board

  
 \_\_\_\_\_  
 LEE Hung Hing  
 Director

  
 \_\_\_\_\_  
 CHOY Hong Yee, Colon  
 Director

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

15 INTEREST IN SUBSIDIARY

Acclaim Company Limited incorporated in Hong Kong is wholly owned by the Company. Acclaim Company Limited carries on business of selling books and providing printing services for the spread of the Gospel. The interest in subsidiary at year end was as follow:

	2021 HK\$	2020 HK\$
Unlisted shares held, at cost	2	2
Loan to subsidiary	<u>248,871</u>	<u>563,611</u>
	248,873	563,613
Less: Provision for doubtful debt	<u>(248,871)</u>	<u>(563,611)</u>
Net interest in subsidiary	<u>2</u>	<u>2</u>

The subsidiary had a deficiency of funds of \$146,244 (2020: \$344,664) at year end and full provision for bad debts was made.

The amount due from the holding company is unsecured and repayable over one year. An amount of HK\$233,000 (2020: HK\$443,000), which bears interest ranging from 1.6% to 2.1% (2020: 2.1%) per annum, the remaining balance is interest free.

16 CHANGES IN EQUITY OF HOLDING COMPANY

	General Fund	GLNC Fund	IHEC Fund	Reserve Fund	Specific Fund	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at beginning of year	2,220,613	-	1,654,710	854,478	720,193	5,449,994
Changes in equity funds	1,264,925	147,673	102,261	-	-	1,514,859
Transfer	199,253	(147,673)	(51,580)	-	-	-
Fund clawback	-	-	(35,219)	-	-	(35,219)
Balance at end of year	<u>3,684,791</u>	<u>-</u>	<u>1,670,172</u>	<u>854,478</u>	<u>720,193</u>	<u>6,929,634</u>

ASIAN OUTREACH HONG KONG LIMITED AND ITS SUBSIDIARY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2021

17 COMMUNITY CARE FUND ASSISTANCE PROGRAMME

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

	2021 HK\$	2020 HK\$
Balance at the beginning of year	-	-
Income		
Subsidy from CCF	<u>9,000</u>	<u>18,480</u>
Expenditure		
Programme expenses	<u>9,000</u>	<u>18,480</u>
Deficit for the year	-	-
Surplus carried forward from previous year	<u>-</u>	<u>-</u>
Balance at the end of year	<u><u>-</u></u>	<u><u>-</u></u>

**Use of the Social Welfare Development Fund (SWDF) Phase 2 funded by Lotteries Fund for the Financial Year 2020-21**

Name of NGO : Asian Outreach Hong Kong Limited  
Code of NGO : 009

Particulars		\$	\$
(a)	Balance of SWDF brought forward:		35,219.70
(b)	Allocation from SWDF during the financial year:		(35,219.70)
(c)	Interest received during the financial year:		-
(d)	Expenditure under SWDF during the year:		
	1. Expenditure for projects under scope A	-	
	2. Expenditure for projects under scope B(non-IT)	-	
	3. Expenditure for projects under scope B(IT)	-	
	4. Expenditure for projects under scope C	-	
	5. Expenditure for administrative support	-	
	Total expenditure during the financial year:		-
(e)	Balance carried forward to the next financial year: (e) = (a) + (b) + (c) - (d)		-

The above expenditures under the SWDF have been incurred in accordance with the requirements stipulated in SWDF Guidance Notes for Application, SWD's approval letter(s) and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

## Notes:

1. The above information should be audited by external auditors and included as part of the notes to the Agency's audited financial statements submitted to SWD.
2. After completion of external audit, the audited financial statements, in which the above information must be included, together with the Auditors' Report should be submitted to SWD's Finance Branch (8/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong). A copy of the notes to the audited financial statements in respect of SWDF extracted from the audited financial statements should be submitted to Subventions Section (38/F., 248 Queen's Road East, Wanchai, Hong Kong).

**Use of the Social Welfare Development Fund (SWDF) Phase 3 funded by Lotteries Fund for the Financial Year 2020-21**

Name of NGO : Asian Outreach Hong Kong Limited  
Code of NGO : 009

Particulars		\$	\$
(a)	Balance of SWDF brought forward:		626,102.53
(b)	Allocation from SWDF during the financial year:		-
(c)	Interest received during the financial year:		3.70
(d)	Expenditure under SWDF during the year:		
	1. Expenditure for projects under scope A	(2,500.00)	
	2. Expenditure for projects under scope B(non-IT)	-	
	3. Expenditure for projects under scope B(IT)	-	
	4. Expenditure for projects under scope C	206,500.00	
	5. Expenditure for administrative support	-	
	Total expenditure during the financial year:		204,000.00
(e)	Balance carried forward to the next financial year:		422,106.23
	(e) = (a) + (b) + (c) - (d)		

The above expenditures under the SWDF have been incurred in accordance with the requirements stipulated in SWDF Guidance Notes for Application, SWD's approval letter(s) and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

## Notes:

1. The above information should be audited by external auditors and included as part of the notes to the Agency's audited financial statements submitted to SWD.
2. After completion of external audit, the audited financial statements, in which the above information must be included, together with the Auditors' Report should be submitted to SWD's Finance Branch (8/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong). A copy of the notes to the audited financial statements in respect of SWDF extracted from the audited financial statements should be submitted to Subventions Section (38/F., 248 Queen's Road East, Wanchai, Hong Kong).

## Disclosure in NGO's Audited Financial Statements

## Use of the Social Welfare Development Fund Phase 3 (Third Round) funded by Lotteries Fund For the Financial Year 2020-21

Name of NGO: Asian Outreach Hong Kong Limited

Code of NGO: 009

Particulars		\$	\$
(a)	Balance of SWDF brought forward:		-
(b)	Allocation from SWDF during the financial year :		15,000.00
(c)	Interest received during the financial year :		
(d)	Expenditure under SWDF during the year:		
	1. Expenditure for projects under scope A	14,000.90	
	2. Expenditure for projects under scope B(non-IT)	-	
	3. Expenditure for projects under scope B(IT)	-	
	4. Expenditure for projects under scope C	-	
	5. Expenditure for administrative support	-	
	Total expenditure during the financial year :		14,000.90
(e)	Balance carried forward to the next financial year : (e) = (a) + (b) + (c) -(d)		999.10

The above expenditures under the SWDF have been incurred in accordance with the requirements stipulated in SWDF Guidance Notes for Application, SWD's approval letter(s) and the procurement of projects and services are in line with the procedures specified in the Lotteries Fund Manual.

## Notes:

1. The above information should be audited by external auditors and included as part of the notes to the Agency's audited financial statements submitted to SWD.
2. After completion of external audit, the audited financial statements, in which the above information must be included, together with the Auditors' Report should be submitted to SWD's Finance Branch (8/F., Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong). A copy of the notes to the audited financial statements in respect of SWDF extracted from the audited financial statements should be submitted to Subventions Section (38/F., 248 Queen's Road East, Wanchai, Hong Kong).

**SCHEDULE FOR CENTRAL ITEMS  
ANALYSIS OF SUBVENTION AND EXPENDITURE  
FOR THE PERIOD FROM 1 APRIL 2020 TO 31 MARCH 2021**

**Name of NGO : ASIAN OUTREACH HONG KONG LIMITED**

<u>Unit Code and Name</u>	Subvention Released (Note 1) HK\$	Actual Expenditure (Note 2) HK\$	Deficit for the year		Deficit b/f (Note 5) HK\$	Deficit c/f (Note 6) HK\$
			Deficit (Note 3) HK\$	transferred to LSG (Note 4) HK\$		
	-	-	-	-	-	-
Add: Absorbed by own resources						-
Total						-

**Note :**

1. The figures for the whole financial year can be extracted from the payroll for March (Final) of the financial year
2. Actual expenditure represents the total expenditure incurred including provident fund for the respective services after netting off programme income, if any.
3. Surplus/Deficit for each element represents the difference between Subvention released and actual expenditure.
4. Deficit of this central item arising from salary adjustment can be transferred to the Lump Sum Grant Reserve.
5. Deficit brought forward (b/f)" means deficit arising from operations in previous years.
6. Deficit carried forward (c/f)" means deficit brought forward plus deficit arising from operations in current years.

**Movement of the furniture and equipment replenishment and minors work block grant reserve for the Financial Year 2020-21**

	\$	\$
Balance of Block Grant Reserve brought forward from previous financial year		249,891.70
Add: Block Grant received	84,000.00	
Interest income received	-	
Other income	-	
	<u>84,000.00</u>	84,000.00
Less: Expenditure during the year (Note) :		
Minor works projects	-	
Furniture and equipment	-	
Vehicle overhauling	-	
	<u>-</u>	<u>-</u>
Balance of Block Grant Reserve carried forward to the next financial year		<u><u>333,891.70</u></u>

**Capital Commitments**

As at 31 March 2021, the outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works Grant were as follows:

	HK\$
Contracted for but not provided in the financial statements	-
Authorised but not contracted for	-
	<u>-</u>
	<u><u>-</u></u>

**Note**

Expenditure charged to Block Grant during the year should be full expenditure amount, i.e. the actual expenditure incurred in 2020-21.

Disclosure in NGO's Audited Financial Statements

Appendix 6

Details of the use of the furniture and equipment replenishment and minors work block grant for the Financial Year 2020-21

Name of NGO : Asian Outreach Hong Kong Limited  
Code of NGO : 009

Item No.	Name of the SWD-subvented Unit (Note 1)	Service Nature (e.g. Sheltered Workshop)	(a) Expenditure in 2020-21				(b) Outstanding Commitments as at 31 March 2021 - Contracted for but not Provided under Column (a)				
			Furniture and Equipment (Note 2) (\$)	Minor Works (\$)	Vehicle Overhauling (Registration No. provided) (\$)	Total Expenditure (\$)	Furniture and Equipment (\$)	Minor Works (\$)	Vehicle Overhauling (\$)	Total Outstanding Commitment (\$)	
1	Central Admin.- IHEC	Office	-	-	-	-	-	-	-	-	-
2	Center - IHEC	Center	-	-	-	-	-	-	-	-	-
Total :			-	-	-	-	-	-	-	-	-

In pursuance of paragraph 4.4.4 of the Lotteries Fund (LF) Manual, we forward herewith the schedule showing the Use of Furniture and Equipment Replenishment and Minor Works Block Grant. We also confirm that expenditure from the Block Grant has been incurred in accordance with the provisions of the LF Manual.

  
Rev. Choy Hong Yee, Colon  
Head of NGO

  
Rev. Yeung Hon Yee  
Chairperson of NGO

28 September 2021  
Date

Note :

1. One premises-tied SWD-subvented unit should not appear more than once in the schedule.
2. Each furniture and equipment item should not exceed \$50,000.