

ASIAN DEVELOPMENT MINISTRIES LIMITED
工人培訓資源中心有限公司
(LIMITED BY GUARANTEE)

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

Stanley Fok & Co.
Certified Public Accountants
Hong Kong

Unit 701, 7/F, 102 Austin Road,
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ASIAN DEVELOPMENT MINISTRIES LIMITED
工人培訓資源中心有限公司
(LIMITED BY GUARANTEE)

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

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ASIAN DEVELOPMENT MINISTRIES LIMITED
工人培訓資源中心有限公司
(LIMITED BY GUARANTEE)

DIRECTORS

Lau Chung Ming
King Irwin Kuo Chin

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31st December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the company is the propagation through effective communication of the evangelical Christian faith by all types of Christian literatures and visual aids.

RESULTS AND APPROPRIATIONS

The result of the company for the year ended 31st December 2020 and the state of the company's affairs as at that date are set out in the company's financial statements on pages 6 to 14.

DIRECTORS

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

Lau Chung Ming
King Irwin Kuo Chin

In accordance with Article No. 37 of the company's Articles of Association, all directors retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

MANAGEMENT CONTRACTS

No contracts 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 year.

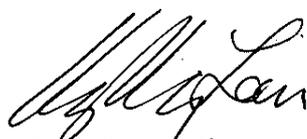
PERMITTED INDEMNITY PROVISIONS

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

AUDITORS

The financial statements were audited by Messrs. Stanley Fok & Co., who retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board,



Lau Chung Ming
Chairman

Hong Kong, 24 SEP 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
ASIAN DEVELOPMENT MINISTRIES LIMITED 工人培訓資源中心有限公司
(LIMITED BY GUARANTEE)

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Asian Development Ministries Limited 工人培訓資源中心有限公司 (“the company”) set out on pages 6 to 14, which comprise the statement of financial position as at 31st December 2020, and the income statement for the year then ended, and explanatory 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 (Cap. 622).

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 Hong Kong Institute of Certified Public Accountants. 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 Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises all information included in the directors’ report and the detailed income statement, 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 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 and the Hong Kong Companies Ordinance (Cap. 622), 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.

Auditor's Responsibilities for the Audit of the Financial Statements

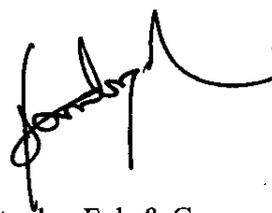
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 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 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.

As part of an audit in accordance with HKSAAs, 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; and
- 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 exist 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.



Stanley Fok & Co.
Certified Public Accountants
Unit 701, 7/F
No. 102 Austin Road
Jordan, Kowloon
Hong Kong,

24 SEP 2021

ASIAN DEVELOPMENT MINISTRIES LIMITED
工人培訓資源中心有限公司
(LIMITED BY GUARANTEE)

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

(EXPRESSED IN HONG KONG DOLLARS)

		<u>2020</u>	<u>2019</u>
<u>REVENUE</u>	(Note 4)	3,755,028	4,621,229
<u>OTHER INCOME</u>	(Note 5)	10,262	14,827
<u>INCOME FROM</u>			
<u>EMPLOYMENT SUPPORT SCHEME</u>		370,350	---
<u>STAFF COSTS</u>		(2,903,676)	(2,726,302)
<u>DEPRECIATION</u>		(2,600)	(2,600)
<u>MINISTRY SUPPORT</u>		(152,247)	(451,340)
<u>OPERATING EXPENSES</u>	(Note 6)	(1,147,529)	(1,757,676)
<u>NET DEFICIT FOR THE YEAR</u>	(Note 10)	<u>(70,412)</u>	<u>(301,862)</u>

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

ASIAN DEVELOPMENT MINISTRIES LIMITED
工人培訓資源中心有限公司
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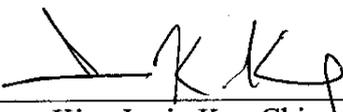
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

(EXPRESSED IN HONG KONG DOLLARS)

	<u>2020</u>	<u>2019</u>
<u>NON-CURRENT ASSETS</u>		
Plant & equipment (Note 8)	5,200	7,800
<u>CURRENT ASSETS</u>		
Rental & utility deposits	68,000	81,920
Sundry debtors & prepayments	221,135	341,534
Bank & cash balances	605,662	487,094
	<u>894,797</u>	<u>910,548</u>
<u>CURRENT LIABILITIES</u>		
Accrued expenses	176,802	124,741
	<u>176,802</u>	<u>124,741</u>
<u>NET CURRENT ASSETS</u>	<u>717,995</u>	<u>785,807</u>
<u>NET ASSETS</u>	<u>723,195</u>	<u>793,607</u>
<u>RESERVES</u>		
Accumulated fund (Note 10)	648,325	593,942
Ministry support fund (Note 11)	74,870	199,665
<u>TOTAL RESERVES</u>	<u>723,195</u>	<u>793,607</u>

These financial statements were approved and authorised for issue by the board of directors on 24 SEP 2021


 Lau Chung Ming
 Director


 King Irwin Kuo Chin
 Director

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

ASIAN DEVELOPMENT MINISTRIES LIMITED
工人培訓資源中心有限公司
(LIMITED BY GUARANTEE)

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

(EXPRESSED IN HONG KONG DOLLARS)

1. GENERAL INFORMATION OF THE REPORTING ENTITY

Asian Development Ministries Limited 工人培訓資源中心有限公司 (“the company”) is a limited by guarantee company incorporated in Hong Kong. The address of its registered office is situated at Room 1001, 10/F, General Commercial Building, Nos. 156-164 Des Voeux Road Central, Hong Kong, and the principal place of business is the same as the registered office of the company.

The principal activity of the company is the propagation through effective communication of the evangelical Christian faith by all types of Christian literatures and visual aids.

2. BASIS OF PREPARATION

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). The company 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements comply with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) 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 convention.

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

3.1 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) Offerings & contributions are recognised upon received.

- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

3.2 Foreign exchange

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

3.3 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciate amount of an item of 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 :-

Furniture, fixtures and equipment	20%
Computer	20%

3.4 Impairment of assets

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

3.5 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 or credited to the income statement respectively on a straight-line basis over the lease term.

3.6 Trade and other receivables

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

3.7 Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the income statement.

3.8 Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the "reporting entity").

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

- (ii) An entity is related to a reporting entity if any of the following conditions applies :-
 - (a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) 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).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

- (e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (f) The entity is controlled or jointly controlled by a person identified in the explanatory note 3.8(i) to the financial statements.
- (g) A person identified in the explanatory note 3.8(i)(a) to the financial statements 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).

3.9 Provisions

A provision is recognised when the entity has a present legal or constructive obligations as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision should be reversed.

3.10 Staff benefits

(i) Retirement benefit costs

The company operates a defined contribution Mandatory Provident Fund retirement benefits scheme in Hong Kong (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The company’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

(ii) Accrued liabilities on unused annual leave

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

(iii) Post-employment benefits in the form of long service payments

Provision is made for the best estimate of the retirement gratuities and long service payments that are required to be paid to the employees of the company in respect of their services to date less any amount that would be expected to be met out of the company's existing retirement scheme.

4. REVENUE

An analysis of the company's revenue is as follows :-

	<u>2020</u>	<u>2019</u>
Offerings & contributions	3,754,997	4,620,964
Interest income	31	265
	<u>3,755,028</u>	<u>4,621,229</u>

5. OTHER INCOME

Other income includes :-

	<u>2020</u>	<u>2019</u>
Gain on exchange difference (net)	10,262	14,827

6. OPERATING EXPENSES

The following expenses are charged under the operating expenses :-

	<u>2020</u>	<u>2019</u>
After charging the following items :-		
Rental charges under operating leases	387,831	524,346

7. DIRECTORS' REMUNERATION

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

	<u>2020</u>	<u>2019</u>
Fees	---	---
Salaries & allowance	---	---
Other benefits	---	---
Contribution to defined contribution retirement benefits scheme	---	---
	<u>---</u>	<u>---</u>
	<u>---</u>	<u>---</u>

8. INCOME TAX

No provision for Hong Kong profits tax is made in the financial statements as the company is exempted from tax liabilities under Section 88 of the Inland Revenue Ordinance by reason of being a charitable institution (2019 : NIL).

9. PLANT & EQUIPMENT

	<u>Furniture, fixtures & equipment</u>	<u>Leasehold improvement</u>	<u>Computer</u>	<u>Total</u>
At cost				
at 1.1.2020 & at 31.12.2020	97,300	195,500	229,813	522,613
Accumulated depreciation and impairment losses				
at 1.1.2020	97,300	195,500	222,013	514,813
depreciation for the year	---	---	2,600	2,600
at 31.12.2020	97,300	195,500	224,613	517,413
Net carrying amount				
at 31.12.2020	---	---	5,200	5,200
at 31.12.2019	---	---	7,800	7,800

10. CHANGES IN RESERVES

	Accumulated fund	Ministry support fund	Total
Balance at 1.1.2020	593,942	199,665	793,607
Net deficit for the year	(70,412)	---	(70,412)
Transferred	124,795	(124,795)	---
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Balance at 31.12.2020	<u>648,325</u>	<u>74,870</u>	<u>723,195</u>

11. MINISTRY SUPPORT FUND

	2020	2019
Balance at 1.1	199,665	446,262
Transferred to accumulated fund	(124,795)	(246,597)
	<hr/>	<hr/>
Balance at 31.12	<u>74,870</u>	<u>199,665</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31st December, the company had commitments under operating leases in respect of rentals on land and buildings and office equipment, the total future minimum lease payments under non-cancellable operating leases are as follows :-

	2020	2019
Payable :		
not later than 1 year	352,978	232,376
later than 1 year	151,318	25,960
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	<u>504,296</u>	<u>258,336</u>

ASIAN DEVELOPMENT MINISTRIES LIMITED
工人培訓資源中心有限公司
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

(EXPRESSED IN HONG KONG DOLLARS)

FOR MANAGEMENT PURPOSES ONLY

	<u>2020</u>	<u>2019</u>
<u>OFFERINGS & CONTRIBUTIONS</u>		
Ministry support	27,452	204,843
Publication offerings	3,727,545	4,416,121
	<u>3,754,997</u>	<u>4,620,964</u>
<u>OTHER REVENUE</u>		
Interest income	31	265
<u>OTHER INCOME</u>		
Exchange gain	10,262	14,827
<u>INCOME FROM EMPLOYMENT SUPPORT SCHEME</u>	<u>370,350</u>	<u>---</u>
	<u>4,135,640</u>	<u>4,636,056</u>
<u>LESS : EXPENSES</u>		
<u>STAFF COSTS</u>		
Provident fund	243,703	233,013
Provision for unused annual leave	37,668	2,565
Staff insurance	48,305	45,874
Staff salaries	2,574,000	2,444,850
	<u>2,903,676</u>	<u>2,726,302</u>
<u>DEPRECIATION</u>	<u>2,600</u>	<u>2,600</u>
<u>MINISTRY SUPPORT</u>	<u>152,247</u>	<u>451,340</u>

	<u>2020</u>	<u>2019</u>
<u>OPERATING EXPENSES</u>		
Activities expenses	---	32,194
Advertising & promotion	3,285	1,720
Audit fee	14,000	13,000
Bank charges	2,726	3,849
Building management fee	48,000	48,000
Cleaning	2,043	1,080
Electricity & water	6,790	16,770
Gift & entertainment	2,168	3,800
Insurance	8,716	9,605
Postage & courier	2,926	3,184
Printing & stationery	18,751	20,159
Rent & rates	337,000	350,000
Repairs & maintenance	800	---
Secretarial fee	1,605	1,505
Storage charges	9,370	19,170
Sundry expenses	16,878	35,973
Telephone, fax & internet	18,497	17,185
Training, seminars & outreach expenses	653,509	1,025,950
Travelling – overseas	465	154,532
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	1,147,529	1,757,676
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<u>TOTAL EXPENSES</u>	4,206,052	4,937,918
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<u>DEFICIT FOR THE YEAR</u>	(70,412)	(301,862)
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The figures and financial information relating to the years ended 31st December 2020 and 2019 included in the detailed income statement are not the company's statutory annual financial statements for that year. Further information relating to those statutory financial statements required to be disclosed in accordance with Section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows :-

The company will deliver the statutory financial statements to the Registrar of Companies in due course. Our auditor has reported on the statutory financial statements and the auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under Section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).