

**BUDDHA'S LIGHT INTERNATIONAL  
ASSOCIATION OF HONG KONG LIMITED**  
**YEAR ENDED 31ST DECEMBER, 2020**

**REPORTS  
AND  
FINANCIAL STATEMENTS**

**CONTENTS**

COMMITTEE MEMBERS' REPORT  
INDEPENDENT AUDITOR'S REPORT  
INCOME AND EXPENDITURE ACCOUNT  
STATEMENT OF FINANCIAL POSITION  
STATEMENT OF CHANGES IN EQUITY  
STATEMENT OF CASH FLOWS  
NOTES TO THE FINANCIAL STATEMENTS

**LUI & MAK CPA LIMITED**

呂榮光 麥錦棠 陳杰宏  
會計師事務所有限公司



23601595203  
AC  
09/11/2021

0316079

0000

## **BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

### **COMMITTEE MEMBERS' REPORT**

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

#### **PRINCIPAL ACTIVITIES**

Buddha's Light International Association of Hong Kong Limited (the Association) is an association incorporated in Hong Kong.

The principal activity of the Association is to promote and support of faith of the Buddhist religion.

#### **RESULTS**

The results of the Association for the year ended 31st December, 2020 and the state of the Association's affairs as at that date are set out in financial statements on pages 6 to 19.

#### **BUSINESS REVIEW**

As the Association falls within reporting exemption for the financial year, the Committee Members are not required to prepare the report for the Business Review with the specified contents stated in the Companies Ordinance.

#### **EQUITY-LINKED ARRANGEMENTS**

No equity-linked arrangements had been entered into or subsisted at the end of the financial year.

#### **MEMBERS IN EXECUTIVE COMMITTEE**

The Committee Members of the Association during the year and up to the date of this report were:-

Kwong Mei Wan, Cally	
Chan Pui Yee	(Resigned on 1st September, 2020)
Chan Hon Pun	
Chen Chien Huang	
Cheng Shao Yen	
Chiu Ka Wah	
Fan Wai Lim, William	Vice-President
Hao Ying	
Lam Fai Man	(Appointed on 1st September, 2020)
Lam Yiu Ming	
Shiu Ho Tung	Vice-President
Song Hoi See	Vice-President
Wong Kun To	President
Wong Si Yuen	

0031

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**COMMITTEE MEMBERS' REPORT** (Continued)

**MEMBERS IN EXECUTIVE COMMITTEE** (Continued)

Wong Yuk Wan  
Yan Cui Xiuqiong  
Yeh Chin Hsiang  
Yeung Sun Wai  
Yung Yue Hung, Paul  
Chiang Su Hui, Susie  
Chang Li Man  
Chow Pak Chin  
To Choi Har  
Xia Qin

In accordance with Article 43 of the Association's Articles of Association that the term of office is three years and eligible for re-nomination and/or re-election but the president shall not hold office for more than two consecutive terms, all the Committee Members continue to hold their office for ensuring year.

**PERMITTED INDEMNITY PROVISION**

There were not any permitted indemnity provisions in force for the benefit of one or more directors of the Association during the financial year and at the time of approval of this report.

**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.

**AUDITOR**

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

**APPROVAL OF COMMITTEE MEMBERS' REPORT**

This report was approved by the Committee Member on 7th September, 2021.

On behalf of the Committee Members,



Wong Kun To (Chairman)

0032

# LUI & MAK CPA LIMITED

呂榮光 麥錦棠 陳杰宏  
會計師事務所有限公司

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED (incorporated in Hong Kong with limited liability by guarantee)**

### **Opinion**

We have audited the financial statements of Buddha's Light International Association of Hong Kong Limited ("the Association") set out on pages 6 to 19, which comprise the statement of financial position as at 31st December, 2020, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and notes to 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 Association as at 31st December, 2020, and of its financial performance and its 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 ("HSAs") 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 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 Committee Members are responsible for the other information. The other information comprises the information included in the report of the Committee Members 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.

0033

.....to be continued

# LUI & MAK CPA LIMITED

呂榮光 麥錦棠 陳杰宏  
會計師事務所有限公司

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED (incorporated in Hong Kong with limited liability by guarantee) (Continued)**

### **Responsibilities of Committee Members for the Financial Statements**

The Committee Members are responsible for the preparation of the 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 Committee Members 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 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 Committee Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 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.
- 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.

0034

.....to be continued

# LUI & MAK CPA LIMITED

呂榮光 麥錦棠 陳杰宏  
會計師事務所有限公司

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF **BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

(incorporated in Hong Kong with limited liability by guarantee)

(Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members.
- Conclude on the appropriateness of the Committee Members' 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.
- 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.

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.



**LUI & MAK CPA LIMITED**  
Certified Public Accountants  
**HO PURCY**  
Practising Certificate No. P06689  
7th September, 2021

0035

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	<u>NOTE</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
<b>SPECIFIC SURPLUS</b>			
Surplus on Buddha's birthday celebration	(6)	-	914,459
Surplus on branch activities	(7)	<u>-</u>	<u>170,323</u>
		-	1,084,782
		-----	-----
<b>GENERAL INCOME</b>			
Membership fee received		1,763,570.00	1,893,190
Donation received		12,600.00	49,416
Publication sponsorship fee received		2,400.00	8,720
Bank interest income		9,711.34	15,857
Government employment support scheme		54,000.00	-
Sundry income		<u>1,350.00</u>	<u>1,750</u>
		1,843,631.34	1,968,933
		-----	-----
<b>TOTAL INCOME IN ACCUMULATED SURPLUS</b>		1,843,631.34	3,053,715
<b>INCOME FROM OTHER FUND</b>			
- EDUCATION FUND	(8)	<u>5,559.43</u>	<u>7,144</u>
		1,849,190.77	3,060,859
<b>DEFICIT ON BRANCH ACTIVITIES</b>			
	(7)	(326,816.10)	-
<b>EXPENDITURE IN ACCUMULATED SURPLUS</b>			
	(9)	(2,780,369.65)	(3,189,173)
<b>TRANSFER TO EDUCATION FUND</b>			
	(8)	<u>(5,559.43)</u>	<u>(7,144)</u>
<b>DEFICIT OF ACCUMULATED SURPLUS</b>			
<b>FOR THE YEAR</b>		<u>(1,263,554.41)</u>	<u>(135,458)</u>
		=====	=====

The notes on pages 10 to 19 form part of these financial statements.

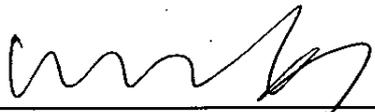
0036

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED****STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020**

	<u>NOTE</u>	HK\$	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	(11)		5,288.00	-
<b>CURRENT ASSETS</b>				
Account receivables and other receivables		48,500.00		92,810
Utility deposits and prepayments		7,810.00		7,601
Inventory	(3f)	69,875.00		52,475
Fixed deposits with bank		637,643.85		2,203,938
Cash and bank balances		<u>4,636,143.05</u>		<u>4,711,565</u>
		<u>5,399,971.90</u>		<u>7,068,389</u>
<b>CURRENT LIABILITIES</b>				
Account payables		15,310.00		201,074
Receipt in advance		<u>990,710.00</u>		<u>1,210,080</u>
		<u>1,006,020.00</u>		<u>1,411,154</u>
<b>NET CURRENT ASSETS</b>			<u>4,393,951.90</u>	<u>5,657,235</u>
<b>NET ASSETS</b>			<u>4,399,239.90</u>	<u>5,657,235</u>
<b>ASSOCIATION'S FUNDS</b>				
Foundation fund	(12)		311,610.00	311,610
Education fund	(8)		978,696.71	973,137
Social services and charity visiting fund	(13)		92,781.45	92,782
Accumulated surplus			<u>3,016,151.74</u>	<u>4,279,706</u>
			<u>4,399,239.90</u>	<u>5,657,235</u>

The financial statements on pages 6 to 19 were approved and authorised for issue by the Executive Committee on 7th September, 2021 and are signed on its behalf by:

  
\_\_\_\_\_  
COMMITTEE MEMBER

  
\_\_\_\_\_  
COMMITTEE MEMBER

The notes on pages 10 to 19 form part of these financial statements.

0037

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	<b>Foundation fund HK\$</b>	<b>Education fund HK\$</b>	<b>Social services and charity visiting fund HK\$</b>	<b>Accumulated surplus HK\$</b>	<b>Total HK\$</b>
At 1st January, 2020	311,610.00	973,137.28	92,781.45	4,279,706.15	5,657,234.88
Surplus/(deficit) for the year	<u>-</u>	<u>5,559.43</u>	<u>-</u>	<u>(1,263,554.41)</u>	<u>(1,257,994.98)</u>
At 31st December, 2020	<u>311,610.00</u> =====	<u>978,696.71</u> =====	<u>92,781.45</u> =====	<u>3,016,151.74</u> =====	<u>4,399,239.90</u> =====

The notes on pages 10 to 19 form part of these financial statements.

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>OPERATING ACTIVITIES</b>		
Deficit for the year	(1,263,554.41)	(135,458)
Adjustment for:		
Depreciation	1,322.00	1,599
Interest income	<u>(9,711.34)</u>	<u>(15,857)</u>
Operating loss before changes in working capital	(1,271,943.75)	(149,716)
Decrease in account receivables and other receivable	44,310.00	55,430
(Increase)/decrease in utility deposits and prepayments	(209.45)	61,609
(Decrease)/increase in account payables	(185,764.00)	160,260
(Decrease)/increase in receipt in advance	(219,370.00)	380,040
Increase in education fund	5,559.43	7,144
(Increase)/decrease in inventory	<u>(17,400.00)</u>	<u>1,295</u>
Cash (used in)/generated from operations	(1,644,817.77)	516,062
Interest received	<u>9,711.34</u>	<u>15,857</u>
Net cash (used in)/generated from operating activities	<u>(1,635,106.43)</u>	<u>531,919</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<u>(6,610.00)</u>	<u>-</u>
Net cash used in investing activities	<u>(6,610.00)</u>	<u>-</u>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(1,641,716.43)</u>	<u>531,919</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>6,915,503.33</u>	<u>6,383,584</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>5,273,786.90</u> =====	<u>6,915,503</u> =====
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Fixed deposits with bank	637,643.85	2,203,938
Cash and bank balances	<u>4,636,143.05</u>	<u>4,711,565</u>
	<u>5,273,786.90</u> =====	<u>6,915,503</u> =====

The notes on pages 10 to 19 form part of these financial statements.

0039

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(1) GENERAL INFORMATION**

Buddha's Light International Association of Hong Kong Limited ("the Association") is an association incorporated in Hong Kong. The Association is limited by guarantee and not having a share capital. The address of its registered office is 16D, Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The liability of each of its members is limited to HK\$100.00.

The Association is also a charitable body exempted from tax under Section 88 of the Inland Revenue Ordinance. The principal activity of the Association is to promote and support of faith of the Buddhist religion.

**(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the 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.

The Association falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Nevertheless, the Committee Members resolved not to take advantage of the reporting exemption and these financial statements comply with HKFRS for Private Entities. The Committee Members have acknowledged that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures specifically required by HKFRS for Private Entities.

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Association's accounting policies. Areas including higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note (4).

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(3) SIGNIFICANT ACCOUNTING POLICIES**

**(a) Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses".

**(b) Property, plant and equipment**

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

Where the Association acquires leasehold land for own use under a finance lease, the prepaid cost included in property, plant and equipment on initial recognition represents the fair value of the leasehold land, or if lower, the present value of the minimum lease payments, determined at the inception of the lease and any initial direct costs of the lessee (incremental costs that are directly attributable to negotiating and arranging a lease).

The other cost of such items of property, plant and equipment comprises the following:

- the purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

0041

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Property, plant and equipment (Continued)**

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 Association 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:

Furniture, fixtures and equipment	20%
-----------------------------------	-----

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.

**(c) Account receivables**

Account receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of account receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

**(d) Cash and cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(e) Account payables**

Account payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**(f) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on first-in, first-out basis and includes all costs of purchase. Net realisable value is determined on the estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Employee benefit obligations**

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

**(h) Impairment of non-financial assets**

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**(i) Revenue recognition**

Revenue is recognised in profit or loss provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, as follows:

- (i) Membership fee, donations and sponsorship income are recognised on cash basis.
- (ii) Publication sponsorship fee received is recognised when the relevant publication is published.
- (iii) Interest income is recognised on time proportional basis.
- (iv) Ticket sales is recognised when the tickets were delivered to the buyers.
- (v) Activities income is recognised when activities are completed.

0043

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Related parties**

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Association if that person:
  - (i) is a member of the key management personnel of the Association;
  - (ii) has control over the Association; or
  - (iii) has joint control or significant influence over the Association or has significant voting power in it.
  
- (b) An entity is related to the Association if any of the following conditions applies:
  - (i) either entity is an associate or joint venture of the other entity.
  - (ii) both entities are joint ventures of a third entity.
  - (iii) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (iv) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - (v) the entity is controlled or jointly controlled by a person identified in (a).
  - (vi) a person identified in (a)(i) has significant voting power in the entity.

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(4) CRITICAL 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 the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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 and impairment of property, plant and equipment**

In determining the useful lives of property, plant and equipment, the management has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on last experience on similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Useful lives are reviewed, at each financial year end date, based on changes in circumstances.

**(5) INCOME TAX EXPENSES**

The Association is not liable to Hong Kong Profits Tax under the provision of section 88 of Inland Revenue Ordinance.

**(6) SURPLUS ON BUDDHA'S BIRTHDAY CELEBRATION**

The Association did not held Buddha's Birthday event during the year (2019: Buddha's Birthday is an Event for the purpose as described in Public Subscription Permit No.: 2019/095/1 issued by Social Welfare Department that raising funds to subsidy the Event and any surplus of the Event is used for charity service of the Permittee).

	<b><u>2020</u></b> <b>HK\$</b>	<b><u>2019</u></b> <b>HK\$</b>
Income received from the event	-	2,078,231
Less: Expenses running the event	<u>-</u>	<u>(1,163,772)</u>
Surplus on the event	- =====	914,459 =====

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(7) (DEFICIT)/SURPLUS ON BRANCH ACTIVITIES**

	<b><u>2020</u></b> <b>HK\$</b>	<b><u>2019</u></b> <b>HK\$</b>
Income received from the branch activities	250.00	1,495,171
Less: Expenses running the branch activities	<u>(327,066.10)</u>	<u>(1,324,848)</u>
(Deficit)/surplus on the branch activities	<u>(326,816.10)</u> =====	<u>170,323</u> =====

**(8) EDUCATION FUND**

	<b><u>2020</u></b> <b>HK\$</b>	<b><u>2019</u></b> <b>HK\$</b>
<u>Income</u>		
Bank interest income	<u>5,559.43</u>	<u>7,144</u>
Surplus for the year	5,559.43	7,144
Balance at the beginning of the year	<u>973,137.28</u>	<u>965,993</u>
Balance at the end of the year	<u>978,696.71</u> =====	<u>973,137</u> =====

Education fund is used for promoting education in Hong Kong and China.

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(9) EXPENDITURE IN ACCUMULATED SURPLUS**

	<b><u>2020</u></b>	<b><u>2019</u></b>
	<b>HK\$</b>	<b>HK\$</b>
Bank charges	1,374.02	1,686
Buddha Dharma seminars	1,250,000.00	1,350,963
Building management fee	67,124.40	67,124
Depreciation	1,322.00	1,600
Electricity	2,083.00	8,218
Insurance	6,582.98	7,488
Membership fee	8,934.07	6,420
MPF contribution	9,100.00	8,800
Postage	385.60	231
Printing and stationery	25,550.00	33,372
Rent and rates	26,440.00	39,920
Repairs and maintenance	5,889.00	6,547
Salaries	182,000.00	176,000
Souvenir	570.00	30,471
Sponsorship	1,093,156.00	1,348,788
Subscription fee	99,248.58	100,913
Sundry expenses	<u>610.00</u>	<u>632</u>
	<u>2,780,369.65</u>	<u>3,189,173</u>
	=====	=====

**(10) EMOLUMENTS OF COMMITTEE MEMBERS**

No emoluments of any nature have been paid or are payable to the Committee Members of the Association for the year (2019: Nil).

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(11) PROPERTY, PLANT AND EQUIPMENT**

	<b><u>Furniture, fixtures and equipment</u></b>
	<b>HK\$</b>
<b>AT COST</b>	
At 1st January, 2020	7,998.50
Additions	<u>6,610.00</u>
At 31st December, 2020	14,608.50
	-----
<b>ACCUMULATED DEPRECIATION</b>	
At 1st January, 2020	7,998.50
Charges for the year	<u>1,322.00</u>
As at 31st December, 2020	9,320.50
	-----
<b>NET BOOK VALUE</b>	
At 31st December, 2020	5,288.00
	=====

**(12) FOUNDATION FUND**

	<b><u>2020</u></b>	<b><u>2019</u></b>
	<b>HK\$</b>	<b>HK\$</b>
Balance at the beginning and at the end of the year	311,610.00	311,610
	=====	=====

Foundation fund was the initial fund set up by the Committee Members when the Association was incorporated, it is deemed to be the capital of an Association.

**(13) SOCIAL SERVICES AND CHARITY VISITING FUND**

	<b><u>2020</u></b>	<b><u>2019</u></b>
	<b>HK\$</b>	<b>HK\$</b>
Balance at the beginning and end of the year	92,781.45	92,782
	=====	=====

Social services and charity visiting fund is used for social services and charity visiting.

0048

**BUDDHA'S LIGHT INTERNATIONAL ASSOCIATION OF HONG KONG LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

**(14) COMMITMENT**

At the end of reporting date, the Association had the following commitment contracted for but not recognised in the financial statements:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Sponsorship for The Chinese University of Hong Kong	5,000,000.00 =====	- =====

The sponsorship is a 5 years scheme starting from 2020, amounting to HK\$12,500,000.00 equally shared with Fo Guang Shan International Buddhist Progress Society (Hong Kong) Limited.

**(15) RELATED PARTY TRANSACTIONS**

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

	<u>2020</u> HK\$	<u>2019</u> HK\$
Sponsorship paid to related companies (a)	139,500.00 =====	252,300 =====

(a) Chang Li Man, Cheng Shao Yen, To Choi Har and Yeh Chin Hsiang are committee members of the Association controls both the Association and the related Association.

**(16) SIGNIFICANT EVENT**

An outbreak of respiratory illness caused by novel coronavirus (the "COVID-19") has been expanded worldwide in early 2020. The Association has implemented prevention and control measures to ensure the Association continue to operate its business. The Committee Members of the Association will continue to assess the impact of the respiratory illness on the Association's operation and financial performance and closely monitor the Association's exposure to the risks and uncertainties in connection with this event.