

BICF INTERNATIONAL FELLOWSHIP LIMITED
(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

AR CPA LIMITED
Certified Public Accountants
Hong Kong



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CONTENTS

	<u>Pages</u>
Report of the Directors	1
Report of the Auditor	2-4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Accounting Policies and Explanatory Notes to the Financial Statements	9-11
Detailed Statement of Income and Expenditure	12

(Expressed in Hong Kong dollars HK\$)

BICF INTERNATIONAL FELLOWSHIP LIMITED REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is a non-profit making organization and its principal activity is to receive donations and conduct activities for the international Christian community in Beijing in the People's Republic of China.

RESULTS AND FINANCIAL STATEMENTS

The result of the Company for the year and the state of its affairs at 31 December 2020 are set out in the financial statements on pages 5 to 11.

DIRECTORS

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

John Andrew NUGENT	(Resigned on 11 August 2020)
Foot Kim LOH	(Resigned on 11 August 2020)
Kosei KUDO	(Resigned on 11 August 2020)
Lijie YAN	(Appointed on 11 August 2020)
Uchennaya Obo IBOM	(Appointed on 11 August 2020)
Thomas Alton JOHNSON JR	(Appointed on 11 August 2020)

As there is no retirement provision in the Company's articles of association, all the directors continue in office.

DIRECTORS' INTERESTS IN CONTRACTS

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

AUDITOR

These financial statements have been audited by AR CPA Limited, Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



(Lijie YAN)

Chairman

Hong Kong, 23 October 2021

AR CPA Limited

Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BICF INTERNATIONAL FELLOWSHIP LIMITED**

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of BICF International Fellowship Limited ("the Company") set out on pages 5 to 11, which comprise the statement of financial position as at 31 December 2020, and the statement of income and accumulated funds 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 Company as at 31 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 PE") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the directors' report set out on page 1 and detailed statement of income and expenditure set out on page 12, 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 the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for PE issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the sole director.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

- 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.



AR CPA Limited
Certified Public Accountants
Hong Kong, 23 October 2021

Wong Kai Ming, Raymond
Practising certificate no.: P02476

BICF INTERNATIONAL FELLOWSHIP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
Revenue	3	3,056,537	5,133,638
Other income – bank interest income		2,439	29,912
Other gains and losses – net foreign exchange gains/(losses)		(79,320)	(36,321)
Administrative expenses		(2,406,817)	(3,082,366)
Other operating expenses		(3,365)	(3,483)
Surplus/(Deficit) before tax	4	569,475	2,041,380
Income tax expense	5	-	-
Surplus/(Deficit) for the year		569,475	2,041,380
Other comprehensive income for the year, net of tax:			
Exchange differences on translating foreign operations		4,091	(517,870)
Total comprehensive income for the year		<u>573,566</u>	<u>1,523,510</u>

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

BICF INTERNATIONAL FELLOWSHIP LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
Current assets			
Deposits paid		115,928	567,833
Cash and bank balances		<u>11,109,162</u>	<u>10,083,691</u>
		<u>11,225,090</u>	<u>10,651,524</u>
Current liabilities			
Accrued liabilities and payables		<u>16,000</u>	<u>16,000</u>
Net assets		<u>11,209,090</u>	<u>10,635,524</u>
Funds			
Accumulated funds and reserve		<u>11,209,090</u>	<u>10,635,524</u>

Approved on behalf of the Board by:



 (Lijie YAN)
 Director



 (Uchennaya Obo IBOM)
 Director

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

BICF INTERNATIONAL FELLOWSHIP LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Foreign currency translation reserve HK\$	Accumulated funds HK\$	Total HK\$
At 1 January 2019	11,313	9,100,701	9,112,014
Total comprehensive income for the year	<u>(517,870)</u>	<u>2,041,380</u>	<u>1,523,510</u>
At 31 December 2019	(506,557)	11,142,081	10,635,524
Total comprehensive income for the year	<u>4,091</u>	<u>569,475</u>	<u>573,566</u>
At 31 December 2020	<u>(502,466)</u>	<u>11,711,556</u>	<u>11,209,090</u>

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

BICF INTERNATIONAL FELLOWSHIP LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	HK\$	HK\$
Cash flows from operating activities		
Surplus/(Deficit) for the year	569,475	2,041,380
Changes in operating assets and liabilities		
(Increase)/decrease in deposits paid	451,905	(447,265)
Net cash from operating activities	<u>1,021,380</u>	<u>1,594,115</u>
Effect of changes in foreign exchange rates	4,091	(517,870)
Net increase (decrease) in cash and cash equivalents	<u>1,025,471</u>	<u>1,076,245</u>
Cash and cash equivalents at beginning of year	<u>10,083,691</u>	<u>9,007,446</u>
Cash and cash equivalents at end of year	<u><u>11,109,162</u></u>	<u><u>10,083,691</u></u>
 Analysis of cash and cash equivalents		
Cash and bank balances	<u><u>11,109,162</u></u>	<u><u>10,083,691</u></u>

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

**BICF INTERNATIONAL FELLOWSHIP LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

BICF International Fellowship Limited is a company incorporated in Hong Kong under the Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital. Every member of the company has agreed to contribute not exceeding Hong Kong dollars HK\$5,000.00 each to the assets of the Company in the event of the Company being wound up. The Company is a non-profit making organization and its principal activity is to receive donations and conduct activities for the international Christian community in Beijing in the People's Republic of China. The Company's registered office is located at Room B, 16/F., Success Commercial Building, 245-251 Hennessy Road, Wanchai, Hong Kong.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants. They are presented in Hong Kong dollars (HK\$). The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Hong Kong dollars (HK\$), which is the Company's functional and presentation currency.

ii) Transactions and balances

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 recognized 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 operating expenses".

iii) Foreign operation

The results and financial position of the foreign representative office that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
2. Income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the exchange rates at the dates of the transactions, in which case income and expenses items are translated at the exchange rates at the date of the transactions); and
3. All resulting exchange differences are recognized in the foreign currency translation reserve

b) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and is recognized 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) Donations are recognized when the Company becomes entitled to the donations and it is probable that they will be received, which is generally upon receipt of cash.
- ii) Interest income is recognized on a time proportion basis taking into account the principal outstanding and the interest applicable.

c) Income tax

No provision for taxation has been made in the financial statements as the Company is an approved charitable institution exempt from tax under Section 88 of the Inland Revenue Ordinance.

d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other assets are classified as operating leases.

Rights to assets held under finance leases are recognized as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit and loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

e) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. 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.

3. REVENUE

Revenue represents the total donations received less donations made during the year.

4. SURPLUS/(DEFICIT) BEFORE TAX

The surplus/(deficit) before tax is stated after charging:-	2020 HK\$	2019 HK\$
Audit fee	16,000	16,000
Rent	122,030	624,044
Salaries and allowances	1,592,355	1,385,678
Staff welfare	<u>583,144</u>	<u>920,467</u>

5. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided in the financial statements as the Company is a charitable institution within the meaning of section 88 of the Hong Kong Inland Revenue Ordinance and accordingly it is exempted from payment of all taxes that are levied under the Ordinance.

6. DIRECTORS' REMUNERATION

No remuneration was paid or payable to the directors by the Company during the year (2019: Nil).

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the board of directors and authorized for issue on 23 October 2021.

BICF INTERNATIONAL FELLOWSHIP LIMITED
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020

(For management purposes only)

	2020 HK\$	2019 HK\$
REVENUE		
Donations received	3,987,562	5,493,689
Outgoing donations	<u>(931,025)</u>	<u>(360,051)</u>
	3,056,537	5,133,638
OTHER INCOME – Bank interest income	2,439	29,912
OTHER GAINS AND LOSSES – Exchange gains (losses)	<u>(79,320)</u>	<u>(36,321)</u>
	2,979,657	5,127,229
ADMINISTRATIVE EXPENSES		
Audit fee	16,000	16,000
Legal and professional fee	58,202	82,640
Office supplies	27,838	33,882
Rent	122,030	624,044
Salaries and allowances	1,592,355	1,385,678
Staff welfare	583,144	920,467
Sundry expenses	<u>7,248</u>	<u>19,655</u>
	2,406,817	3,082,366
OTHER OPERATING EXPENSES		
Bank charges	<u>3,365</u>	<u>3,483</u>
	3,365	3,483
SURPLUS/(DEFICIT) BEFORE TAX	<u>569,475</u>	<u>2,041,380</u>