

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**  
**葛榮禪修同學會有限公司**  
**(Incorporated in Hong Kong and limited by guarantee and not having a share capital)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



22802329081

AC

05/11/2021

0739490

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**INDEX**

|                                       | Page(s) |
|---------------------------------------|---------|
| 1 DIRECTORS' REPORT                   | 2-3     |
| 2 INDEPENDENT AUDITOR'S REPORT        | 4-5     |
| 3 FINANCIAL STATEMENTS                |         |
| 3.1 STATEMENT OF INCOME & EXPENDITURE | 6       |
| 3.2 STATEMENT OF FINANCIAL POSITION   | 7       |
| 3.3 STATEMENT OF CHANGES IN FUND      | 8       |
| 3.4 NOTES TO THE FINANCIAL STATEMENTS | 9-11    |

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2020, which were approved by the directors at the date of this report.

**Principal activities**

THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED 葛榮禪修同學會有限公司 ("the Association") is a charitable organization and is engaged in disseminating the teachings of the Buddha and providing aids to needy Buddhist Masters.

**Results and appropriation**

The results of the Association for the year ended 31 December 2020 and the financial position as at that date are set out in the financial statements on page 6 to 11.

**Business review**

The Association falls within reporting exemption for the year. Accordingly, the Association is exempted from preparing a business review.

**Directors**

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

Mr. Chung Kin Wing

Ms. Wong Sau Lai ( Appointed on 16 November 2020 )

Mr. Chan Hung Ki ( Resigned on 16 November 2020 )

In accordance with Article 31 of the Association's Articles of Association, all directors retire and, being eligible, offer themselves for re-election.

**Equity-link arrangements**

During the financial year, the Association entered into no equity-linked agreement. At the end of the financial year, the Association subsisted of no equity-linked agreement.

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Permitted indemnity provision**

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of the directors of the Association. At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the directors of the Association.

**Interests in contracts of significance**

No contract of significance in relation to the Association's business to which the Association was a party and in which the directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

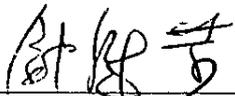
**Management contracts**

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 EMKT CPA LIMITED, CERTIFIED PUBLIC ACCOUNTANTS, who will retire at the conclusion of the forthcoming Annual General Meeting, being eligible and offer themselves for re-appointment.

On Behalf Of the Board



Chung Kin Wing  
Director

Hong Kong, 22 AUG 2021

**EMKT CPA LIMITED**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**君泰道勤會計師事務所有限公司**

Units 2105-07, 21/F., Yen Sheng Centre, 64 Hoi Yuen Road,  
Kwun Tung, Kowloon, Hong Kong

香港九龍觀塘開源道 64 號

源成中心 21 樓 2105-07 室

Tel : (852) 2838-8586 Fax: (852) 2891-9893

電話: (852) 2838-8586 傳真: (852) 2891-9893

E-mail: [ief.wong@emchk.com](mailto:ief.wong@emchk.com) 電郵: [jeff.wong@emchk.com](mailto:jeff.wong@emchk.com)

Website: [www.emchk.com](http://www.emchk.com)

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF**  
**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED 葛榮禪修同學會有限公司**  
(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

We have audited the financial statements of The Association of Godwin's Spiritual Friends Limited (the "Association") set out on pages 6 to 11, which comprise the statement of financial position as at 31 December 2020, the statement of changes in equity and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard 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 Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report set out on pages 2 to 3, 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 concluded 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 the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors 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 directors 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 the overseeing the Association's financial reporting process.

**EMKT CPA LIMITED**  
**CERTIFIED PUBLIC ACCOUNTANTS**

君泰道勤會計師事務所有限公司

**INDEPENDENT AUDITOR'S REPORT - CONTINUED**

**TO THE MEMBERS OF**  
**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED 葛榮禪修同學會有限公司**  
(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

Units 2105-07, 21/F., Yen Sheng Centre, 64 Hoi Yuen Road,  
Kwun Tong, Kowloon, Hong Kong  
香港九龍觀塘開源道 64 號  
匯成中心 21 樓 2105-07 室  
Tel : (852) 2838-8586 Fax: (852) 2891-9893  
電話: (852) 2838-8586 傳真: (852) 2891-9893  
E-mail: [jeff.wong@emochk.com](mailto:jeff.wong@emochk.com) 電郵: [jeff.wong@emochk.com](mailto:jeff.wong@emochk.com)  
Website: [www.emochk.com](http://www.emochk.com)

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

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

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

We communicate with 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.



**EMKT CPA LIMITED,**  
**Certified Public Accountants**  
Units 2105-07, 21/F., Yen Sheng Centre,  
64 Hoi Yuen Road, Kwun Tong, Kowloon,  
Hong Kong,

**22 AUG 2021**

Wong Kai Ming  
Practising Certificate No. P04328

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

**STATEMENT OF INCOME & EXPENDITURE  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|                                      | <u>2020</u>      | <u>2019</u>      |
|--------------------------------------|------------------|------------------|
|                                      | <u>HK\$</u>      | <u>HK\$</u>      |
| <b><u>INCOME</u></b>                 |                  |                  |
| Donation - General                   | 6,200            | 100,724          |
| Donation - Retreats                  | 42,100           | 113,110          |
| Donation - Yoga                      | 19,770           | 69,845           |
| Donation – Aids to Publication       | --               | 4,930            |
| Membership Fees                      | 350              | 300              |
| Bank Interest Income                 | 3                | 247              |
|                                      | <u>68,423</u>    | <u>289,156</u>   |
| <b><u>EXPENDITURE</u></b>            |                  |                  |
| Association's Publications           | --               | (61,900)         |
| Auditor's Remuneration               | (2,000)          | (2,000)          |
| Bank Charges                         | (796)            | (660)            |
| Depreciation                         | (69,180)         | (69,892)         |
| Donation                             | --               | (16,500)         |
| Insurance                            | (2,218)          | (2,217)          |
| Maintenance of Meditation Centre     | (1,848)          | (10,790)         |
| Meditation Centre Utility Expenses   | (7,167)          | (10,035)         |
| Postage                              | (240)            | (15,413)         |
| Rental Expenses                      | (23,886)         | (41,004)         |
| Retreat Expenses                     | (10,921)         | (20,525)         |
| Salary                               | (60,000)         | (60,000)         |
| Stationery and Computer Accessories  | (78)             | (3,006)          |
| Sundry Expenses                      | (8,828)          | (18,465)         |
| Voluntary Helper's Travel Allowances | (485)            | (2,730)          |
| Telephone and Internet Expenses      | (2,816)          | (2,484)          |
|                                      | <u>(190,463)</u> | <u>(337,622)</u> |
| <b>(DEFICIT) FOR THE YEAR</b>        | <u>(122,040)</u> | <u>(48,465)</u>  |

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

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

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

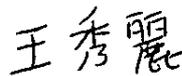
|  | <u>Notes</u> | <u>2020</u><br><u>HK\$</u> | <u>2019</u><br><u>HK\$</u> |
|--|--------------|----------------------------|----------------------------|
| <u>NON-CURRENT ASSETS</u>              |              |                            |                            |
| Property, Plant & Equipment            | 5            | 1,089,256                  | 1,158,436                  |
| <u>CURRENT ASSETS</u>                  |              |                            |                            |
| Other Receivable                       |              | 50                         | 12,830                     |
| Prepayment                             |              | 1,589                      | 7,765                      |
| Deposit                                |              | 1,550                      | 1,550                      |
| Bank                                   |              | 318,070                    | 353,668                    |
|  |              | <u>321,259</u>             | <u>375,813</u>             |
| <u>CURRENT LIABILITIES</u>             |              |                            |                            |
| Accruals                               |              | (2,000)                    | (3,694)                    |
|  |              | <u>(2,000)</u>             | <u>(3,694)</u>             |
| NET CURRENT ASSETS                     |              | <u>319,259</u>             | <u>372,119</u>             |
| NET ASSETS                             |              | <u>1,408,515</u>           | <u>1,530,555</u>           |
| <u>REPRESENTING</u>                    |              |                            |                            |
| General Reserve                        |              | 1,224,028                  | 1,346,068                  |
| Designated Fund - Association Premises |              | 184,487                    | 184,487                    |
|  |              | <u>1,408,515</u>           | <u>1,530,555</u>           |

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

The financial statements on pages 6 to 11 were approved and authorized for issue by the Board of directors on **22 AUG 2021** and are signed on its behalf by :



Chung Kin Wing  
Director



Wong Sau Lai  
Director

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

**STATEMENT OF CHANGES IN FUND  
FOR THE YEAR ENDED 31 DECEMBER 2020**

|                        | General<br>Reserve | Designed<br>Fund<br>Association<br>Premises | Total<br>Fund    |
|------------------------|--------------------|---|------------------|
|                        | HK\$               | HK\$  | HK\$             |
| Balance as at 1/1/2019 | 1,394,533          | 184,487                                     | 1,579,020        |
| (Deficit) for the year | (48,465)           | --  | (48,465)         |
| As at 31/12/2019       | 1,346,068          | 184,487                                     | 1,530,555        |
| (Deficit) for the year | (122,040)          | --  | (122,040)        |
| As at 31/12/2020       | <u>1,224,028</u>   | <u>184,487</u>                              | <u>1,408,515</u> |

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

## THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 GENERAL

THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED ("Association") is limited by guarantee and not having a share capital. The registered office address of the Association is situated at Flat D, 4/F., Kwong On Building, Nos. 20-26, Wan Tau Street, Tai Po, New Territories, Hong Kong. The Association also maintain a meditation centre at 迴瀾, Lantau Island, New Territories, Hong Kong. The Association is a charitable organization and is engaged in disseminating the teachings of the Buddha in Hong Kong and providing aids to needy Buddhist Masters.

Under the provisions of the Association's Articles of Association (previously known as the Memorandum and Articles of Association) every member shall, in the event of the Association being wound up, contribute such amounts as may be required to meet the liabilities of the Association but not exceeding HK\$20 each

There is an annual membership subscription of HK\$50 paid by each member of the Association.

#### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and presents its 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.

The financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the going concern basis. 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:

##### Foreign currency translation

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

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income & expenditure statement.

##### Employee benefit

The Association operates a defined contribution Mandatory Provident Fund retirement benefit scheme in Hong Kong ("the MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for the employees who are eligible to participate in the MPF Scheme. Contributions are made on a percentage of the employees' basic salaries and are charged to the income & expenditure statement as they become payable in accordance with the rules of the MPF Scheme. The Association's contributions vast fully with the employees when contributed into the MPF Scheme.

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES ( Continued )**

Property, Plant & Equipment & Depreciation

Plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income & expenditure statement during the financial year in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalue amounts to their residual values over their estimated useful lives at the following annual rates :

|                         |   |
|-------------------------|---|
| Leasehold land          | - over the unexpired terms of the lease |
| Building                | - 5%                                    |
| Equipment and furniture | - 20%                                   |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

Revenue Recognition

Donation income is recognized on a cash receipt basis.

Interest income is recognized on a time proportion basis.

**3 DIRECTORS' REMUNERATION**

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

|                  | 2020<br>HK\$ | 2019<br>HK\$ |
|------------------|--------------|--------------|
| Fees             | -            | -            |
| Other emoluments | -            | -            |
|                  | <u>-</u>     | <u>-</u>     |

**THE ASSOCIATION OF GODWIN'S SPIRITUAL FRIENDS LIMITED**

葛榮禪修同學會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****4 INCOME TAX EXPENSES**

No provision for Hong Kong Profits Tax had been made in the financial statements as the Association is an approved charitable institution under Section 88 of the Inland Revenue Department.

**5 PROPERTY, PLANT & EQUIPMENT**

|                          | Land &<br>Building<br>HK\$ | Equipment &<br>Furniture<br>HK\$ | Total<br>HK\$    |
|--------------------------|----------------------------|----------------------------------|------------------|
| Cost                     |                            |                                  |                  |
| As at 1/1/2020           | 1,768,000                  | 88,723                           | 1,856,723        |
| Addition for the year    | --                         | --                               | --               |
| As at 31/12/2020         | <u>1,768,000</u>           | <u>88,723</u>                    | <u>1,856,723</u> |
| Accumulated Depreciation |                            |                                  |                  |
| As at 1/1/2020           | 612,828                    | 85,459                           | 698,287          |
| Charge for the year      | 68,092                     | 1,088                            | 69,180           |
| As at 31/12/2020         | <u>680,920</u>             | <u>86,547</u>                    | <u>767,467</u>   |
| Net Book Value           |                            |                                  |                  |
| As at 31/12/2020         | <u>1,087,080</u>           | <u>2,176</u>                     | <u>1,089,256</u> |
| As at 31/12/2019         | <u>1,155,172</u>           | <u>3,264</u>                     | <u>1,158,436</u> |

**6 AUDITOR'S REMUNERATION**

Auditor's remuneration (including other sums paid) for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follow:

|                        | 2020<br>HK\$ | 2019<br>HK\$ |
|------------------------|--------------|--------------|
| Auditor's remuneration | <u>2,000</u> | <u>2,000</u> |