

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED

家庭更新協會(香港)有限公司

**(Incorporated in Hong Kong with Liability Limited by
Guarantee and Not having a Share Capital)**

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Certified true copy



Pong Yuen Sun Louis
Director



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(EXPRESSED IN HONG KONG DOLLARS)

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED

家庭更新協會(香港)有限公司

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The principal activities of Chinese Family For Christ (Hong Kong) Limited (the "Association") are to provide camps for couples based on the teachings of the Bible to improve marital relationship.

BUSINESS REVIEW

No business review is presented for the year ended 31 December 2020 as the Association has been able to claim an exemption under section 388(3) of the Hong Kong Companies Ordinance (Cap. 622) since it falls within the reporting exemption.

DIRECTORS

The directors of the Association during the year and up to the date of this report are as follows:

Pong Yuen Sun, Louis
Fong Shun Yuen
Chiu Ching-Tai, Peter

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 & Cheng CPA Limited who would retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

For and on Behalf of the Board



Pong Yuen Sun, Louis
Director
20 September 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED 家庭更新協會(香港)有限公司

(Incorporated in Hong Kong with Liability Limited by Guarantee and Not Having a Share Capital)

Opinion

We have audited the financial statements of Chinese Family For Christ (Hong Kong) Limited ("the Association") set out on pages 4 to 9, which comprise the statement of financial position as at 31 December 2020, and the statement of income and expenditures 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 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 HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, 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 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 overseeing the Association's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED 家庭更新協會(香港)有限公司
(Incorporated in Hong Kong with Liability Limited by Guarantee and Not Having a Share Capital)

Auditor's Responsibilities for the Audit of the Financial Statements

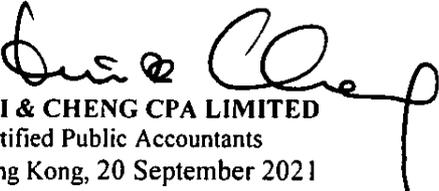
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 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 HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

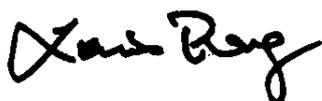
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


LUI & CHENG CPA LIMITED
Certified Public Accountants
Hong Kong, 20 September 2021
Cheng Man Kuen, Louisa
Practising Certificate Number: P02953

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED
 家庭更新協會(香港)有限公司
 STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
NON-CURRENT ASSETS			
Property, plant and equipment	3	<u>42,533</u>	<u>67,499</u>
CURRENT ASSETS			
Inventories	4	82,257	16,770
Other receivables		-	1,281
Deposits and prepayment		1,850	4,190
Cash and bank balances		<u>655,290</u>	<u>654,211</u>
		<u>739,397</u>	<u>676,452</u>
CURRENT LIABILITIES			
Camp coupon	5	38,900	36,900
Accrued expense		7,500	24,500
Receipt in advance		<u>58,400</u>	<u>58,400</u>
		<u>104,800</u>	<u>119,800</u>
NET CURRENT ASSETS		<u>634,597</u>	<u>556,652</u>
NET ASSETS		<u>677,130</u>	<u>624,151</u>
FUNDS			
General Fund	6	636,380	583,401
Camp Subsidy Fund	6	<u>40,750</u>	<u>40,750</u>
		<u>677,130</u>	<u>624,151</u>

Approved and authorised for issue by the board of directors on 20 September 2021.



Pong Yuen Sun, Louis
 Director



Fong Shun Yuen
 Director

The annexed notes form an integral part of these financial statements.

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED

家庭更新協會(香港)有限公司

STATEMENT OF INCOME AND EXPENDITURES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020			2019		
		General	Camp	Total	General	Camp	Total
		Fund	Subsidy		Fund	Subsidy	
\$	\$	\$	\$	\$	\$		
INCOME							
Donation							
- General offerings		549,378	-	549,378	929,078	50,000	979,078
Activities income	7	24,550	-	24,550	453,606	-	453,606
Government grant	8	27,000	-	27,000	-	-	-
Sundry income		6,359	-	6,359	-	-	-
TOTAL INCOME		607,287	-	607,287	1,382,684	50,000	1,432,684
EXPENDITURE							
Activities expenses	7	54,700	-	54,700	741,355	-	741,355
Audit fee		4,500	-	4,500	4,500	-	4,500
Bank charge		3,363	-	3,363	3,451	-	3,451
Cleaning expenses		18,000	-	18,000	18,180	-	18,180
Depreciation		29,366	-	29,366	29,596	-	29,596
Donation		52,000	-	52,000	52,000	-	52,000
Insurance		9,299	-	9,299	9,062	-	9,062
Maintenance		1,080	-	1,080	3,130	-	3,130
Miscellaneous expenses		-	-	-	18,440	-	18,440
MPF contribution		12,322	-	12,322	12,225	-	12,225
Newsletter and magazines		-	-	-	580	-	580
Postage and shipping		3,419	-	3,419	2,839	-	2,839
Printing and stationery		1,195	-	1,195	7,069	-	7,069
Rates and government rent		828	-	828	3,276	-	3,276
Retreat expense		2,811	-	2,811	1,150	-	1,150
Royalty fee		2,720	-	2,720	59,580	-	59,580
Salaries		253,500	-	253,500	253,500	-	253,500
Subsidy		-	-	-	-	11,100	11,100
Sundry expenses		14,993	-	14,993	6,896	-	6,896
Telephone		14,652	-	14,652	14,653	-	14,653
Utilities		1,560	-	1,560	3,728	-	3,728
Volunteer allowance		74,000	-	74,000	78,000	-	78,000
		554,308	-	554,308	1,323,210	11,100	1,334,310
Net surplus for the year		52,979	-	52,979	59,474	38,900	98,374

The annexed notes form an integral part of these financial statements

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED

家庭更新協會(香港)有限公司

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Chinese Family For Christ (Hong Kong) Limited (the "Association") is a company incorporated in Hong Kong with liability limited by guarantee. The Association's registered office is located at Shop C, Ground Floor, Kings Court, Nos. 48, 50 & 52 Fort Street, North Point, Hong Kong.

The principal activities of the Association are to provide camps for couples based on the teachings of the Bible to improve marital relationship.

The Association is not authorised to issue share. Under provision 6 of the Association's Memorandum of Association, every member shall, in the event of the Association being wound up, contribute to the assets of the Association to an amount not exceeding the sum of \$100.

The financial statements are presented in Hong Kong dollars which is also the functional currency 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 present 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.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association 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:

2.1 Revenue recognition

Revenue is recognised as follows:

- (i) Donation income is recognised when monies are received from donors; and
- (ii) Course and activities income is recognised when events have been taken place.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, 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:

Leasehold improvements	20%
Furniture, fixtures and equipment	20%

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED
家庭更新協會(香港)有限公司
NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (“Continued”)

2.3 Inventories

Inventories are stated at the lower of cost (using a first-in-first-out basis) and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

2.4 Government grant

Government grant is recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

2.5 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements \$	Furniture, fixtures and equipment \$	Total \$
Cost			
At 1 January 2020	88,080	144,473	232,553
Addition	-	4,400	4,400
At 31 December 2020	<u>88,080</u>	<u>148,873</u>	<u>236,953</u>
Accumulated depreciation			
At 1 January 2020	49,232	115,822	165,054
Charge for the year	17,616	11,750	29,366
At 31 December 2020	<u>66,848</u>	<u>127,572</u>	<u>194,420</u>
Net book value			
At 31 December 2020	<u>21,232</u>	<u>21,301</u>	<u>42,533</u>
At 31 December 2019	<u>38,848</u>	<u>28,651</u>	<u>67,499</u>

4. INVENTORIES

	2020 \$	2019 \$
Merchandise, at cost	<u>82,257</u>	<u>16,770</u>

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED

家庭更新協會(香港)有限公司

NOTES TO THE FINANCIAL STATEMENTS

5. CAMP COUPON

Camp coupon represents receipts from coupon sales which will be recognised upon the earlier of the redemption or expiration of the coupons. All of the coupons will be expired within 2 years from the date of issue. Expired coupons will be recognised as other income.

	2020	2019
	\$	\$
<i>Coupon</i>		
At beginning of the year	36,900	35,200
Sold during the year	2,000	9,300
Redeemed during the year	-	(7,600)
At end of the year	<u>38,900</u>	<u>36,900</u>

6. STATEMENT OF CHANGES IN FUNDS

	2020			2019		
	General Fund	Camp Subsidy Fund	Total	General Fund	Camp Subsidy Fund	Total
	\$	\$	\$	\$	\$	\$
Funds at start of year	583,401	40,750	624,151	523,927	1,850	525,777
Net surplus for the year	<u>52,979</u>	<u>-</u>	<u>52,979</u>	<u>59,474</u>	<u>38,900</u>	<u>98,374</u>
Funds at end of year	<u>636,380</u>	<u>40,750</u>	<u>677,130</u>	<u>583,401</u>	<u>40,750</u>	<u>624,151</u>

7. ACTIVITIES INCOME AND EXPENSES

Activities	2020			2019		
	Income	Expenses	Surplus/ (Deficit)	Income	Expenses	Surplus/ (Deficit)
	\$	\$	\$	\$	\$	\$
Camp	16,000	54,700	(38,700)	405,000	727,702	(322,702)
Course	-	-	-	10,000	-	10,000
Merchandise	-	-	-	14,226	13,653	573
Counselling services	<u>8,550</u>	<u>-</u>	<u>8,550</u>	<u>24,380</u>	<u>-</u>	<u>24,380</u>
	<u>24,550</u>	<u>54,700</u>	<u>(30,150)</u>	<u>453,606</u>	<u>741,355</u>	<u>(287,749)</u>

8. GOVERNMENT GRANT

Government grant was obtained from Employment Support Scheme under the Anti-epidemic Fund during the year.

CHINESE FAMILY FOR CHRIST (HONG KONG) LIMITED

家庭更新協會(香港)有限公司

NOTES TO THE FINANCIAL STATEMENTS**9. DIRECTORS' EMOLUMENTS**

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

	2020	2019
	\$	\$
Fees	NIL	NIL
Retirement benefits	NIL	NIL
Other emoluments	<u>NIL</u>	<u>NIL</u>

10. TAXATION

No Hong Kong profits tax has been provided in the financial statements as the Association is a charitable institution and has been exempted from profits tax under Section 88 of the Inland Revenue Ordinance (the "IRO").

11. RELATED PARTY TRANSACTIONS

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

	2020	2019
	\$	\$
<u>Transactions</u>		
<i>Related company</i>		
Royalty fee expenses	2,720	59,580
Purchase of merchandise	66,757	48,129
Sundry expenses	650	2,733
Donation payouts	<u>20,000</u>	<u>20,000</u>

Both Mr. Chiu Ching-Tai, Peter and Mr. Pong Yuen Sun, Louis, are common directors of both the Association and the related company, Chinese Family For Christ International Limited ("CFFCIL"). CFFCIL is a charitable institution registered in Hong Kong and is exempted from profits tax pursuant to Section 88 of the IRO.