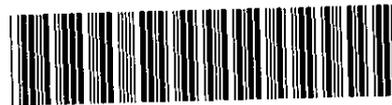


FOUNTAINHEAD ASSOCIATION LIMITED
思源協會有限公司
(LIMITED BY GUARANTEE)

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



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09/11/2021

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Stanley Fok & Co.
Certified Public Accountants
Hong Kong

Unit 701, 7/F, 102 Austin Road,
Jordan, Kowloon, Hong Kong

FOUNTAINHEAD ASSOCIATION LIMITED
思源協會有限公司
(LIMITED BY GUARANTEE)

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

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FOUNTAINHEAD ASSOCIATION LIMITED
思源協會有限公司
(LIMITED BY GUARANTEE)

DIRECTORS

To Sook Yuen Helena
Lau Shu Sum Daniel
Fan Ng Irene Yuen Han
Sin Yat Sun
Ngai San Shing

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The principal activities of the company are to motivate and nurture the growth of worldwide concern for provision of gospel ministries and social welfare services in China.

RESULTS AND APPROPRIATIONS

The result of the company for the year ended 31st December 2020 and the state of the company's affairs as at that date are set out in the company's financial statements on pages 6 to 21.

DIRECTORS

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

To Sook Yuen Helena	
Lau Shu Sum Daniel	
Fan Ng Irene Yuen Han	
Lau Miu Ying Iris	(resigned on 16.9.2020)
Cheng Yui Keung	(resigned on 16.9.2020)
Sin Yat Sun	
Ngai San Shing	(appointed on 11.12.2020)

In accordance with Article No. 34 of the company's Articles of Association, all directors shall hold office for a term of two years. All directors continue in office.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

PERMITTED INDEMNITY PROVISIONS

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

AUDITORS

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

For and on behalf of the Board,



To Sook Yuen Helena
Chairman
Hong Kong,

5 OCT 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
FOUNTAINHEAD ASSOCIATION LIMITED 思源協會有限公司
(LIMITED BY GUARANTEE)

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Fountainhead Association Limited 思源協會有限公司 (“the company”) set out on pages 6 to 21, which comprise the statement of financial position as at 31st December 2020, and the income statement for the year then ended, and explanatory notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance (Cap. 622).

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) and with reference to Practice Note 900 (Revised) “Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the company in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises all information included in the directors’ report and the detailed income statement, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance (Cap. 622), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 directors; and
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exist related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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



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

5 OCT 2021

FOUNTAINHEAD ASSOCIATION LIMITED
思源協會有限公司
(LIMITED BY GUARANTEE)

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

(EXPRESSED IN HONG KONG DOLLARS)

		<u>2020</u>	<u>2019</u>
<u>REVENUE</u>	(Note 4)	551,865	767,138
<u>OTHER INCOME</u>	(Note 5)	1,022	102
<u>INCOME FROM</u>			
<u>EMPLOYMENT SUPPORT SCHEME</u>		809,322	---
<u>STAFF COSTS</u>		(261,200)	(343,200)
<u>DEPRECIATION</u>		(23,947)	(24,447)
<u>OTHER OPERATING EXPENSES</u>	(Note 6)	(426,754)	(494,747)
<u>NET SURPLUS/(DEFICIT) FOR THE YEAR</u>	(Note 12)	<u>650,308</u>	<u>(95,154)</u>

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

FOUNTAINHEAD ASSOCIATION LIMITED
思源協會有限公司
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

(EXPRESSED IN HONG KONG DOLLARS)

	<u>2020</u>	<u>2019</u>
<u>NON-CURRENT ASSETS</u>		
Plant & equipment (Note 9)	24,030	47,977
	<hr/>	<hr/>
<u>CURRENT ASSETS</u>		
Rental & utility deposits	45,676	45,676
Sundry debtors & prepayments	280,960	311,281
Bank & cash balances	3,398,683	3,795,575
	<hr/>	<hr/>
	3,725,319	4,152,532
	<hr/>	<hr/>
<u>CURRENT LIABILITIES</u>		
Accrued expenses	126,186	183,715
	<hr/>	<hr/>
	126,186	183,715
	<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>	3,599,133	3,968,817
	<hr/>	<hr/>
<u>NON-CURRENT LIABILITIES</u>		
Long service payments (Note 10)	(210,000)	(201,000)
	<hr/>	<hr/>
<u>NET ASSETS</u>	3,413,163	3,815,794
	<hr/> <hr/>	<hr/> <hr/>

FOUNTAINHEAD ASSOCIATION LIMITED
思源協會有限公司
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

(EXPRESSED IN HONG KONG DOLLARS)

		<u>2020</u>	<u>2019</u>
<u>RESERVES</u>			
Accumulated fund	(Note 12)	(247,859)	(247,374)
Belt & road fund	(Note 13)	160,000	160,000
Ministry study fund	(Note 14)	22,014	26,488
Missionary fund	(Note 15)	2,038,679	2,067,723
New office development fund	(Note 16)	51,700	51,700
Project funds	(Note 17)	856,255	1,275,938
Research & development fund	(Note 18)	54,518	54,518
Scholarship fund	(Note 19)	156,580	170,383
Summer ministry	(Note 20)	11,174	11,174
Homes of Fountainhead (orphanage ministry)	(Note 21)	206,328	245,244
FHA publication fund	(Note 22)	3,774	---
Indigenous group ministry	(Note 23)	100,000	---
		<hr/>	<hr/>
<u>TOTAL RESERVES</u>		3,413,163	3,815,794
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved and authorised for issue by the board of directors on 5 OCT 2021



To Sook Yuen Helena
Director



Lau Shu Sum Daniel
Director

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

FOUNTAINHEAD ASSOCIATION LIMITED
思源協會有限公司
(LIMITED BY GUARANTEE)

ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020
(EXPRESSED IN HONG KONG DOLLARS)

1. GENERAL INFORMATION OF THE REPORTING ENTITY

Fountainhead Association Limited 思源協會有限公司 (“the company”) is a limited by guarantee company incorporated in Hong Kong. The address of its registered office is situated at Units 3101-2, 31/F, New Venture Centre, No. 18 Lam Tin Street, Kwai Chung, New Territories, and the principal place of business is the same as the registered office of the company.

The principal activities of the company are to motivate and nurture the growth of worldwide concern for provision of gospel ministries and social welfare services in China.

2. BASIS OF PREPARATION

The company qualifies for the reporting exemption as a small guarantee company under Section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The company is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the “SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements comply with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

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

3.1 Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases :-

- (i) Offerings & contributions are recognized upon received.
- (ii) Administration fee income is recognized upon received.
- (iii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

3.2 Foreign exchange

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

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

3.3 Plant and equipment

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

The depreciate amount of an item of plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows :-

Furniture, fixtures and equipment	20%
Leasehold improvement	20%

3.4 Impairment of assets

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

3.5 Operating leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged or credited to the income statement respectively on a straight-line basis over the lease term.

3.6 Trade and other receivables

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

3.7 Government grants

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

3.8 Related parties

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

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

- (c) is a member of the key management personnel of the reporting entity of a parent of the reporting entity.
- (ii) An entity is related to a reporting entity if any of the following conditions applies :-
 - (a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (f) The entity is controlled or jointly controlled by a person identified in the explanatory note 3.8(i) to the financial statements.
 - (g) A person identified in the explanatory note 3.8(i)(a) to the financial statements has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.9 Provisions

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

3.10 Staff benefits

(i) Retirement benefit costs

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

(ii) Accrued liabilities on unused annual leave

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

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

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

4. **REVENUE**

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

	<u>2020</u>	<u>2019</u>
Offerings & contributions	363,777	519,165
Administration fee income	188,000	246,369
Interest income	88	1,604
	<u>551,865</u>	<u>767,138</u>

5. OTHER INCOME

Other income includes :-

	<u>2020</u>	<u>2019</u>
Gain on exchange difference (net)	1,022	---
Sundry income	---	102
	<u>1,022</u>	<u>102</u>

6. OTHER OPERATING EXPENSES

The following expenses are charged under the other operating expenses :-

	<u>2020</u>	<u>2019</u>
Rental charges under operating leases	316,800	316,800
Loss on exchange difference (net)	---	3,978
	<u>316,800</u>	<u>320,778</u>

7. DIRECTORS' REMUNERATION

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

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

8. INCOME TAX

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

9. PLANT & EQUIPMENT

	<u>Furniture, fixtures & equipment</u>	<u>Leasehold improvement</u>	<u>Total</u>
At cost at 1.1.2020 & at 31.12.2020	<u>360,034</u>	<u>101,650</u>	<u>461,684</u>
Accumulated depreciation and impairment losses at 1.1.2020	323,637	90,070	413,707
depreciation for the year	<u>18,157</u>	<u>5,790</u>	<u>23,947</u>
at 31.12.2020	<u>341,794</u>	<u>95,860</u>	<u>437,654</u>
Net carrying amount at 31.12.2020	<u>18,240</u>	<u>5,790</u>	<u>24,030</u>
at 31.12.2019	<u>36,397</u>	<u>11,580</u>	<u>47,977</u>

10. LONG SERVICE PAYMENTS

	<u>2020</u>	<u>2019</u>
Balance at 1.1	201,000	110,000
Provision for the year	<u>9,000</u>	<u>91,000</u>
Balance at 31.12	<u>210,000</u>	<u>201,000</u>

11. CHANGES IN RESERVES

	Accumulated fund	Belt & road fund	Ministry study fund	Missionary fund	New office development fund	Project funds	Research & development fund	Scholarship fund	Summer ministry
Balance at 1.1.2020	(247,374)	160,000	26,488	2,067,723	51,700	1,275,938	54,518	170,383	11,174
Net various funds received/(paid)	---	---	(4,474)	(801,225)	---	(286,675)	---	(25,423)	---
Funds transferred	(650,793)	---	---	772,181	---	(133,008)	---	11,620	---
Net surplus for the year	650,308	---	---	---	---	---	---	---	---
Balance at 31.12.2020	(247,859)	160,000	22,014	2,038,679	51,700	856,255	54,518	156,580	11,174

	Homes of Fountainhead	FHA publication fund	Indigenous group ministry	Total reserves
Balance at 1.1.2020	245,244	---	---	3,815,794
Net various funds received/(paid)	(38,916)	3,774	100,000	(1,052,939)
Funds transferred	---	---	---	---
Net surplus for the year	---	---	---	650,308
Balance at 31.12.2020	206,328	3,774	100,000	3,413,163

12. ACCUMULATED FUND

	<u>2020</u>	<u>2019</u>
Balance at 1.1	(247,374)	(152,220)
Net surplus/(deficit) for the year	650,308	(95,154)
Transferred from project fund	100,000	---
	<hr/>	<hr/>
	502,934	(247,374)
Transferred to missionary fund	(750,793)	---
	<hr/>	<hr/>
Balance at 31.12	<u>(247,859)</u>	<u>(247,374)</u>

13. BELT & ROAD FUND

	<u>2020</u>	<u>2019</u>
Balance at 1.1 & at 31.12	160,000	160,000
	<hr/>	<hr/>

14. MINISTRY STUDY FUND

	<u>2020</u>	<u>2019</u>
Balance at 1.1	26,488	26,760
Add : offerings & contributions received	---	5,248
	<hr/>	<hr/>
	26,488	32,008
Less : expenditure	(4,474)	(5,520)
	<hr/>	<hr/>
Balance at 31.12	<u>22,014</u>	<u>26,488</u>

15. MISSIONARY FUND

	<u>2020</u>	<u>2019</u>
Balance at 1.1	2,067,723	1,834,640
Add : offerings & contributions received	4,213,899	5,097,560
transferred from project funds	33,008	11,108
transferred from accumulated fund	750,793	---
	<hr/>	<hr/>
	7,065,423	6,943,308
Less : expenditure	(5,015,124)	(4,832,665)
transferred to Homes of Fountainhead	---	(21,600)
transferred to scholarship fund	(11,620)	(21,320)
	<hr/>	<hr/>
Balance at 31.12	<u>2,038,679</u>	<u>2,067,723</u>

16. NEW OFFICE DEVELOPMENT FUND

	<u>2020</u>	<u>2019</u>
Balance at 1.1 & at 31.12	<u>51,700</u>	<u>51,700</u>

17. PROJECT FUNDS

	<u>General</u>	<u>Chaoxian</u>	<u>Guangxi</u>	<u>Hainan</u>	<u>Hubei</u>	<u>Northwest</u>	<u>Northeast</u>	<u>Total</u>
Balance at 1.1.2019	547,095	307,271	118,135	79,803	(28,662)	49,497	---	1,073,139
Add : offerings & contributions received transferred from missionary fund	421,361 1,000	133,005 ---	137,732 36,900	180 ---	316,576 ---	---	3,150 ---	1,012,004 37,900
Less : expenditure transferred to missionary fund	969,456 (110,663)	440,276 (271,902)	292,767 (56,653)	79,983 (24,978)	287,914 (333,901)	49,497 ---	3,150 ---	2,123,043 (798,097)
Balance at 31.12.2019	858,793	119,366	236,114	55,005	(45,987)	49,497	3,150	1,275,938
Balance at 1.1.2020	858,793	119,366	236,114	55,005	(45,987)	49,497	3,150	1,275,938
Add : offerings & contributions received transferred from missionary fund	279,438 ---	46,828 ---	137,745 25,500	---	---	---	---	464,011 48,642
Less : expenditure transferred to missionary fund transferred to accumulated fund	1,138,231 (291,031)	166,194 (209,389)	399,359 (138,420)	65,005 (54,589)	(45,987) (40,965)	49,497 ---	16,292 (16,292)	1,788,591 (750,686)
Balance at 31.12.2020	592,579	(43,195)	260,939	10,416	(13,981)	49,497	---	856,255

18. RESEARCH & DEVELOPMENT FUND

	<u>2020</u>	<u>2019</u>
Offerings & contributions received	54,518	65,618
Less : expenditure	---	(11,100)
	<hr/>	<hr/>
Balance at 31.12	<u>54,518</u>	<u>54,518</u>

19. SCHOLARSHIP FUND

	<u>2020</u>	<u>2019</u>
Balance at 1.1	170,383	212,799
Add : offerings & contributions received transferred from missionary fund	256,857 11,620	531,044 21,320
	<hr/>	<hr/>
Less : expenditure	438,860 (282,280)	765,163 (594,780)
	<hr/>	<hr/>
Balance at 31.12	<u>156,580</u>	<u>170,383</u>

20. SUMMER MINISTRY

	<u>2020</u>	<u>2019</u>
Balance at 1.1	11,174	2,014
Add : offerings & contributions received	---	10,755
	<hr/>	<hr/>
Less : expenditure	11,174 ---	12,769 (1,595)
	<hr/>	<hr/>
Balance at 31.12	<u>11,174</u>	<u>11,174</u>

21. HOMES OF FOUNTAINHEAD

	<u>2020</u>	<u>2019</u>
Balance at 1.1	245,244	335,377
Add : offerings & contributions received transferred from missionary fund	83,632 ---	638,640 21,600
	<hr/>	<hr/>
	328,876	995,617
Less : expenditure	(122,548)	(750,373)
	<hr/>	<hr/>
Balance at 31.12	<u>206,328</u>	<u>245,244</u>

22. FHA PUBLICATION FUND

	<u>2020</u>	<u>2019</u>
Offerings & contributions received	23,000	---
Less : expenditure	(19,226)	---
	<hr/>	<hr/>
Balance at 31.12	<u>3,774</u>	<u>---</u>

23. INDIGENOUS GROUP MINISTRY

	<u>2020</u>	<u>2019</u>
Offerings & contributions received	100,000	---
	<hr/>	<hr/>
Balance at 31.12	<u>100,000</u>	<u>---</u>

24. COMMITMENTS UNDER OPERATING LEASES

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

	<u>2020</u>	<u>2019</u>
Payable :		
not later than 1 year	316,800	316,800
later than 1 year	844,800	1,161,600
	<hr/>	<hr/>
	<u>1,161,600</u>	<u>1,478,400</u>

FOUNTAINHEAD ASSOCIATION LIMITED
思源協會有限公司
(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

(EXPRESSED IN HONG KONG DOLLARS)

FOR MANAGEMENT PURPOSES ONLY

	<u>2020</u>	<u>2019</u>
<u>REVENUE</u>		
Offerings & contributions	363,777	519,165
Administration fee income	188,000	246,369
Interest income	88	1,604
	551,865	767,138
<u>OTHER INCOME</u>		
Exchange gain	1,022	---
Sundry income	---	102
	1,022	102
<u>INCOME FROM</u>		
<u>EMPLOYMENT SUPPORT SCHEME</u>	809,322	---
	1,362,209	767,240
<u>LESS : EXPENSES</u>		
<u>STAFF COSTS</u>		
Provident fund	11,700	11,700
Provision for long service payments	9,000	91,000
Staff salaries	240,500	240,500
	261,200	343,200
<u>DEPRECIATION</u>	23,947	24,447

	<u>2020</u>	<u>2019</u>
<u>OTHER OPERATING EXPENSES</u>		
Advertising & promotion	6,906	37,650
Audit fee	14,000	12,000
Bank charges	1,020	1,055
Conference & meeting	17,539	28,618
Computer expenses	15,345	6,102
Electricity	6,074	17,124
Entertainment	6,478	24,888
Exchange loss	---	3,978
Insurance	13,397	12,818
Postage	1,896	1,524
Printing & stationery	2,406	12,381
Rent & rates	316,800	316,800
Repairs & maintenance	190	---
Secretarial fee	5,605	3,205
Sundry expenses	9,455	6,044
Telephone	9,415	10,560
Walkathon expenses	228	---
	<hr/>	<hr/>
	426,754	494,747
	<hr/>	<hr/>
<u>TOTAL EXPENSES</u>	711,901	862,394
	<hr/>	<hr/>
<u>SURPLUS/(DEFICIT) FOR THE YEAR</u>	650,308	(95,154)
	<hr/> <hr/>	<hr/> <hr/>

The figures and financial information relating to the years ended 31st December 2020 and 2019 included in the detailed income statement are not the company's statutory annual financial statements for that year. Further information relating to those statutory financial statements required to be disclosed in accordance with Section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows :-

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