

COMPASSION REVIVAL LIMITED
重建援助有限公司

(Limited by Guarantee)

Reports and Financial Statements

For the year ended 31 December 2020



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COMPASSION REVIVAL LIMITED
重建援助有限公司

Reports and Financial Statements
For the year ended 31 December 2020

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COMPASSION REVIVAL LIMITED
重建援助有限公司

Council Members' Report

The Council Members have pleasure to present their report together with the audited financial statements of the Association for the year ended 31 December 2020.

Principal activities

The principal activities of the Association are to offer direct relief and other essential aid to relieve poverty, distress and suffering of such people and their families as a result of disaster or by reason of their poverty based on the Christian ethics and practice of humanitarianism.

Results

The financial performance and movement of reserves of the Association for the year ended 31 December 2020 and its financial position at that date are set out in the financial statements on pages 4 to 9.

Council Members

The Council Members who held office during the year and up to the date of this report were,

Mr. Yeung Ki Fai
Mr. Tsui Wan Sang Daniel
Mr. Lau Yiu Bon Jason

Auditor

The financial statements have been audited by Messrs. LKY China who offer themselves for re-appointment.

On behalf of the Board



Mr. Yeung Ki Fai
Chairman

Hong Kong, 19 OCT 2021



華強會計師事務所

LKY CHINA

Certified Public Accountants (Practising), Hong Kong

Partners:

甄達華會計師

JOSEPH T. W. YAN

FCPA (Practising), FCA, FCCA,
CTA, FTIHK, FSCA

蔡少芬會計師

NATALIE S.F. CHOY

CPA (Practising), FCCA,
MA (Acctg)

Principal:

張文傑主管

KEN M.K. CHEUNG

Independent Auditor's Report

To the Members of **COMPASSION REVIVAL LIMITED** 重建援助有限公司

(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of **COMPASSION REVIVAL LIMITED** ("the Association") set out on pages 4 to 9 which comprise the statement of financial position as at 31 December 2020, and the income statement and statement of changes in equity 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 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 Council Members are responsible for the other information. The other information comprises the information included in the Council Members' Report, 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 Council Members and Those Charged with Governance for the Financial Statements

The Council Members 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 Council Members determine are 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 Council Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

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華強會計師事務所

LKY CHINA

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING), HONG KONG

Partners:

甄達華會計師

JOSEPH T. W. YAN

FCPA (Practising), FCA, FCCA,
CTA, FTIHK, FSCA

蔡少芬會計師

NATALIE S.F. CHOY

CPA (Practising), FCCA,
MA (Acctg)

Principal:

張文傑主管

KEN M.K. CHEUNG

Independent Auditor's Report (cont'd)

To the Members of COMPASSION REVIVAL LIMITED 重建援助有限公司

(Incorporated in Hong Kong with liability limited by guarantee)

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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.
- Conclude on the appropriateness of the Council Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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.

Certified Public Accountants (Practising)

Hong Kong, **19 OCT 2021**

COMPASSION REVIVAL LIMITED

重建援助有限公司

**Income Statement
For the year ended 31 December 2020**

	Note	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Income			
Designated fund income	3	879,576	1,463,215
Contributions received		763,482	715,044
Government subsidy – Employment Support Scheme		127,500	-
	4	<u>1,770,558</u>	<u>2,178,259</u>
Operating expenditures			
Designated fund expenditures	3	760,454	1,171,101
Program expense	3	470,792	410,670
Administrative expense		476,078	491,009
		<u>1,707,324</u>	<u>2,072,780</u>
Operating surplus for the year		63,234	105,479
Interest income		59	149
Surplus for the year	5	<u>63,293</u>	<u>105,628</u>

COMPASSION REVIVAL LIMITED

重建援助有限公司

**Statement of Financial Position
as at 31 December 2020**

	Note	2020 HK\$	2019 HK\$
Current assets			
Rental and utility deposits		49,532	49,532
Cash at banks and on hand		472,207	455,198
		<u>521,739</u>	<u>504,730</u>
Current liabilities			
Accounts payable and accrued charges		131,683	177,967
Net assets		<u>390,056</u>	<u>326,763</u>
Accumulated surplus		81,536	16,573
Designated fund	3	308,520	310,190
		<u>390,056</u>	<u>326,763</u>

The financial statements together with the accompany notes as set out on pages 4 to 9 were approved and authorized for issued by the Council Members on **19 OCT 2021** and are signed on its behalf by:



Mr. Yeung Ki Fai
Council Member



Mr. Tsui Wan Sang, Daniel
Council Member

COMPASSION REVIVAL LIMITED

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**Statement of Changes in Reserves
For the year ended 31 December 2020**

	Accumulated surplus HK\$	Designated fund (note 3) HK\$	Total HK\$
Balance as at 1 January 2019	238,246	(17,111)	221,135
Surplus for the year	105,628	-	105,628
Net deficit of designated fund (note 3), now transfer	118,556	(118,556)	-
Transfer of fund	(445,857)	445,857	-
Balance as at 1 January 2020	<u>16,573</u>	<u>310,190</u>	<u>326,763</u>
Surplus for the year	63,293	-	63,293
Net deficit of designated fund (note 3), now transfer	351,670	(351,670)	-
Transfer of fund	(350,000)	350,000	-
Balance as at 31 December 2020	<u>81,536</u>	<u>308,520</u>	<u>390,056</u>

**Notes to the Financial Statements
For the year ended 31 December 2020**

1. General information

The Association is an association domiciled and incorporated in Hong Kong with liability limited by guarantee. The address of the registered office and principal place of operation of the Association are 25/F., Westin Centre, 26 Hung To Road, Kwun Tong, Kowloon, Hong Kong and Room 203, 2/F, Times Tower, 928-930 Cheung Sha Wan Road, Kowloon, Hong Kong respectively. The Association has been exempted under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character. The charity registration number of the Association is 91/10887.

The principal activities of the Association are to offer direct relief aid other essential and to relieve poverty, distress and suffering of such people and their families as a result of disaster or by reason of their poverty based on the Christian ethics and practice of humanitarianism.

2. Basis of preparation and significant 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. The Association 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 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,

a. Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably. Contribution received and grants received are recognized on cash basis.

b. Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

c. Functional expenses

The cost of providing the programs and other activities has been summarized on a functional basis in the statements of activity. Accordingly, certain costs have been allocated among the program and support services benefited as estimated by the management of the Association.

COMPASSION REVIVAL LIMITED

重建援助有限公司

**Notes to the Financial Statements
For the year ended 31 December 2020****3. Designated fund**

Designated fund income being the donations received that are restricted for a specific purpose, and the surplus arising therefrom after setting off related expenditure was transferred to designated fund reserve. The details of its movement are as follows,

Projects	Movement during the year						As at 31 December HK\$
	As at 1 January HK\$	Donation Received HK\$	Direct expenditure HK\$	Other expenses allocated to the projects HK\$	Net movement HK\$	Transfer HK\$	
2020							
China Project	(69,417)	-	-	(96,367)	(96,367)	100,000	(65,784)
Local Pakistan	198,627	441,750	(179,833)	(278,058)	(16,141)	-	182,486
Pakistan Project	(95,311)	433,826	(580,621)	(96,367)	(243,162)	350,000	11,527
RTMF	276,291	4,000	-	-	4,000	(100,000)	180,291
	<u>310,190</u>	<u>879,576</u>	<u>(760,454)</u>	<u>(470,792)</u>	<u>(351,670)</u>	<u>350,000</u>	<u>308,520</u>
2019							
China Project	(63,180)	23,148	(36,954)	(62,431)	(76,237)	70,000	(69,417)
Local Pakistan	(32,897)	602,360	(125,654)	(245,182)	231,524	-	198,627
Pakistan Project	(71,468)	837,707	(1,008,493)	(103,057)	(273,843)	250,000	(95,311)
RTMF	276,291	-	-	-	-	-	276,291
Other projects	(125,857)	-	-	-	-	125,857	-
	<u>(17,111)</u>	<u>1,463,215</u>	<u>(1,171,101)</u>	<u>(410,670)</u>	<u>(118,556)</u>	<u>445,857</u>	<u>310,190</u>

4. Income

Income represents contribution in cash and gifts received during the year.

5. Surplus for the year

Surplus for the year is stated after charging,

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Council members' remuneration		
- council members' fee	-	-
- salaries and allowance	-	-
	<u>-</u>	<u>-</u>
Staff cost		
- staff salaries and allowances	590,600	599,517
- contributions to mandatory provident fund scheme	29,530	30,238
	<u>620,130</u>	<u>629,755</u>
Auditor's remuneration	8,500	8,500
Depreciation	-	2,390
Hire of premise under operating lease	148,716	143,613

COMPASSION REVIVAL LIMITED
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Notes to the Financial Statements
For the year ended 31 December 2020

6. Income tax

The Association has been exempted under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character.

7. Operating leases commitment

At 31 December 2020, the Association's total future minimum lease payment under non-cancellable operating leases of rented premises are payable as follows,

	<u>2020</u>	<u>2019</u>
	<u>HK\$</u>	<u>HK\$</u>
Within one year	86,751	148,716
After one year, but within five years	-	86,751
	<u>86,751</u>	<u>235,467</u>