

CHINESE BIBLE INTERNATIONAL LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



W. M. LAU & COMPANY

Certified Public Accountants

劉偉明會計師事務所



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(EXPRESSED IN HONG KONG DOLLARS)

CHINESE BIBLE INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2021

The directors have pleasure in presenting their annual report together with the audited financial statements of Chinese Bible International Limited (the "Charity") for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Charity during the year were to publish books and materials for preaching the Gospel of Jesus Christ and promoting general education. There were no significant changes in the nature of such activities during the year.

RESULTS

The results of the Charity for the year ended 31 March 2021 and the state of the Charity's affairs at that date are set out in the financial statements on pages 6 to 13.

DONATIONS

During the year, the Charity made free bible gifts totaling HK\$188,629 (2020: HK\$287,622).

DIRECTORS

The directors of the Charity during the year and up to the date of this report were:

Au Pak Ping
Chan Kam Hoi
Chow Wing Kin, Wilson
Choi Chung Ching
Lee Chi Kong
Shao Joseph
Yeung Wai Man
Pang Man Yee (Appointed on 21 December 2020)

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE CHARITY'S BUSINESS

There were no contracts of significance in a relation to the business of the Charity to which the Charity was a party, and in which a director of the Charity had a material interest, whether directly or indirectly, subsisted at the end of the year, or at any time during the year.

BUSINESS REVIEW

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

PERMITTED INDEMNITY PROVISIONS

At no time during the year and up to the date of this report, there was or is, any permitted indemnity provisions being in force for the benefit of any of the directors of the Charity (whether made by the Charity or otherwise) or an associated charity (if made by the Charity).

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CHINESE BIBLE INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2021

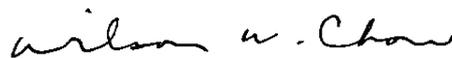
MANAGEMENT CONTRACTS

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

AUDITORS

W. M. Lau & Company are the Charity's retiring auditors, who being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

FOR AND ON BEHALF OF THE BOARD



Chow Wing Kin, Wilson
Chairman

Hong Kong
23 November 2021



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

CHINESE BIBLE INTERNATIONAL LIMITED

(Incorporated in Hong Kong and limited by guarantee)

OPINION

We have audited the financial statements of Chinese Bible International Limited (the "Charity") set out on pages 6 to 13, which comprise the statement of financial position as at 31 March 2021, 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 Charity 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 Charity 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 the information included in the report of the directors, other than 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.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

CHINESE BIBLE INTERNATIONAL LIMITED

(Incorporated in Hong Kong and limited by guarantee)

RESPONSIBILITIES OF DIRECTORS FOR 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 misstatements, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Charity'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 Charity or to cease operations, or have no realistic alternatives but to do so.

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 misstatements, 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 purposes. 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.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

CHINESE BIBLE INTERNATIONAL LIMITED

(Incorporated in Hong Kong and limited by guarantee)

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONTINUED)**

- 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 Charity'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 Charity'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 Charity to cease to continue as a going concern.

We communicate with the directors 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.

W. M. Lau & Co.
W. M. Lau & Company

Certified Public Accountants (Practising)

Hong Kong
23 November 2021

CHINESE BIBLE INTERNATIONAL LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	<i>Notes</i>	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Revenue	2	5,824,455	9,922,819
Cost of sales		<u>(5,075,210)</u>	<u>(4,811,418)</u>
Gross profit		749,245	5,111,401
Other revenue and gains	3	4,595,623	3,078,311
Administrative expenses			
Advertising and promotions		(241,663)	(412,174)
Auditor's remuneration		(18,300)	(18,300)
Bad debts	5	—	(1,101,311)
Bank charges		(119,665)	(93,901)
Bible Centre expenses		(21,380)	(19,619)
Depreciation	5	(226,970)	(226,970)
Donation paid		(188,629)	(287,622)
Electricity and water		(40,380)	(77,703)
Evangelistic activities		(46,194)	(88,256)
Exchange loss		(5,245)	
Hospitality		(185)	(9,146)
Insurances		(59,833)	(77,143)
Postages		(12,506)	(14,263)
Printing and stationery		(4,418)	(11,355)
Reference books		—	(307)
Rent, rates and building management fee		(846,232)	(870,091)
Repairs and maintenance		(93,395)	(102,065)
Samples		—	(13,549)
Sundry expenses		(27,881)	(38,055)
Staff costs	5	(3,978,684)	(3,836,428)
Telephone and fax		(8,018)	(8,489)
Transportation		(853)	(4,310)
Travelling		—	(85,232)
		<u>(5,940,431)</u>	<u>(7,396,289)</u>
Surplus from operations		(595,563)	793,423
Finance costs	4	<u>(69,558)</u>	<u>(140,752)</u>
Surplus for the year	5	<u>(665,121)</u>	<u>652,671</u>

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

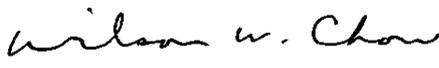
CHINESE BIBLE INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	<i>Notes</i>	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Non-current assets			
Property, plant and equipment	8	<u>6,128,207</u>	<u>6,355,177</u>
Current assets			
Inventories	9	7,672,973	9,964,099
Deposits and prepayments		822,365	917,391
Trade and other receivables		5,724,659	5,082,098
Cash and bank balances		<u>279,106</u>	<u>40,761</u>
		<u>14,499,103</u>	<u>16,004,349</u>
Current liabilities			
Trade and other payables		2,392,543	2,275,382
Bank import loan, secured		496,853	83,342
Other borrowings	10	1,000,000	1,000,000
Bank overdraft		<u>--</u>	<u>1,597,767</u>
		<u>3,889,396</u>	<u>4,956,491</u>
Net current assets		<u>10,609,707</u>	<u>11,047,858</u>
Net assets		<u>16,737,914</u>	<u>17,403,035</u>
Reserves			
General funds	12	<u>16,737,914</u>	<u>17,403,035</u>

Approved and authorised for issue by the Board of Directors on 23 November 2021.



Chow Wing Kin, Wilson
Director



Choi Chung Ching
Director

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

CHINESE BIBLE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

REPORTING ENTITY

Chinese Bible International Limited (the “Charity”) is a company incorporated in Hong Kong with limited guarantee and no share capital. The Charity’s registered office is located at Block A, 9th Floor, Alexandra Industrial Building, Nos. 1064-1066 Tung Chau West Street, Lai Chi Kok, Kowloon, Hong Kong. The principal activities of the Charity are to publish books and materials for preaching the Gospel of Jesus Christ and promoting general education.

The Charity has also registered as a charitable institution under section 88 of the Inland Revenue Ordinance.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Charity 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 Charity 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

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

- (i) Revenue from the sale of goods is recognised when the Charity has delivered the goods to the customers and the customers have accepted the goods together with the risks and rewards of ownership of the goods.
- (ii) Donation received, royalty income and sundry income are recognised upon receipt.
- (iii) Course fee income is recognised upon the completion of the courses for the attendants.
- (iv) Interest income is recognised on a time proportion basis taking into account the principal outstanding and at the interest applicable.

CHINESE BIBLE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

- (b) **Borrowing costs**
Borrowing costs are recognised as an expense in the period in which they are incurred.

- (c) **Foreign exchange**
The reporting currency of the Charity is Hong Kong Dollars, which is the currency of the primary economic environment in which the Charity 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.

- (d) **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 land and buildings	50 years or the expired term of lease, if any and shorter
Furniture and fixtures	5 years
Equipment	5 years

- (e) **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 impairments, including item of property, plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the 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.

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

- (g) **Trade and other receivables**
Trade and other receivables are stated at estimated realisable values 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.

CHINESE BIBLE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(h) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Charity are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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 to the income statement on a straight-line basis over the lease term.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

2. REVENUE

An analysis of the Charity's revenue is as follows:

	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Sales of goods	<u>5,824,455</u>	<u>9,922,819</u>

CHINESE BIBLE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

3. OTHER REVENUE AND GAINS

	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Activities income	297,510	385,380
Bank interest income	--	13
Course fee income	14,250	8,450
Donations received	3,054,855	2,524,098
Gain on exchange, net	--	153,625
Royalty income	45,611	5,560
Bad debts recovered	479,131	--
Sundry income	703,366	1,185
	<u>4,595,623</u>	<u>3,078,311</u>

4. FINANCE COSTS

	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Interest on bank overdraft	<u>69,558</u>	<u>140,752</u>

5. SURPLUS FOR THE YEAR

Surplus for the year is arrived at:

	2021 <i>HK\$</i>	2020 <i>HK\$</i>
After charging the following items:		
Bad debts	--	1,101,311
Cost of inventories sold	5,075,210	4,811,418
Depreciation on property, plant and equipment	226,970	226,970
Operating lease charge for land and buildings	113,050	387,600
Provision for inventories	--	332,912
Staff costs		
- Salaries, allowances and MPF contributions	<u>3,978,684</u>	<u>3,836,428</u>

6. DIRECTORS' REMUNERATION

None of the directors received or will receive any fees or remuneration in respect of their services rendered for the year (2020: Nil).

CHINESE BIBLE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

7. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided in the financial statements as the Charity is registered as a charitable institution under section 88 of the Inland Revenue Ordinance (2019: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings <i>HK\$</i>	Furniture and fixtures <i>HK\$</i>	Equipment <i>HK\$</i>	Total <i>HK\$</i>
Cost:				
At 1 April 2020 and at 31 March 2021	<u>9,532,756</u>	<u>1,043,487</u>	<u>840,198</u>	<u>11,416,441</u>
Accumulated depreciation:				
At 1 April 2020	3,177,579	1,043,487	840,198	5,061,264
Charge for the year	<u>226,970</u>	<u>--</u>	<u>--</u>	<u>226,970</u>
At 31 March 2021	<u>3,404,549</u>	<u>1,043,487</u>	<u>840,198</u>	<u>5,288,234</u>
Net carrying amount:				
At 31 March 2021	<u>6,128,207</u>	<u>--</u>	<u>--</u>	<u>6,128,207</u>
At 31 March 2020	<u>6,355,177</u>	<u>--</u>	<u>--</u>	<u>6,355,177</u>

9. INVENTORIES

	2021 <i>HK\$</i>	2020 <i>HK\$</i>
Goods for sale	13,848,671	13,644,471
Less: Provision on inventories	<u>(6,175,698)</u>	<u>(3,680,372)</u>
	<u>7,672,973</u>	<u>9,964,099</u>

10. OTHER BORROWINGS

The other borrowings are unsecured, interest-free and repayable on demand.

CHINESE BIBLE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11. PLEDGE OF ASSETS

The Charity has pledged the following assets to banks for securing banking facilities granted:

	2021	2020
	HK\$	HK\$
Leasehold properties with carrying amount of	<u>6,128,207</u>	<u>6,355,177</u>

The banking facilities were also under joint and several guarantee of HK\$7,500,000 from two directors of the Charity and a third party as at 31 March 2021.

12. GENERAL FUNDS

	2021	2020
	HK\$	HK\$
Balance as at 1 April	17,403,035	16,750,364
Surplus for the year	<u>(665,121)</u>	<u>652,671</u>
Balance as at 31 March	<u>16,737,914</u>	<u>17,403,035</u>

13. OPERATING LEASES COMMITMENT

The Charity had the following total future minimum lease payments payable under non-cancellable operating leases:

	2021	2020
	HK\$	HK\$
Within one year	405,600	113,050
2 to 5 years	<u>405,600</u>	<u>--</u>
	<u>811,200</u>	<u>113,050</u>