

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED

(Limited by Gurantee)

2020

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER, 2020



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THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Gurantee)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020

<u>CONTENTS:</u>	<u>PAGE</u>
Directors' report	1-2
Independent auditor's report	3-4
Income statement	5
Statement of financial position	6
Statement of changes in funds	7
Notes to the accounts	8-11

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Gurantee)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2020

The directors present their annual report together with the audited financial for the year ended 31st December 2020.

PRINCIPAL ACTIVITIES

The principal activities are to promote the faith of Christianity, China Mission, emergency for Disaster Relief and to promote education for the poverty of China.

THE STATE OF AFFAIRS AND APPROPRIATIONS

The state of the Association's affairs as at 31 December 2020 are set out in the annexed financial statements.

The Association is prohibited to distributing any surpluses and or reserves to members..

RESERVES

Movements in reserves for the year are set out in the Statement of Changes in Reserves on page 8.

DIRECTORS

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

CHAN Ka Keung
Lo Yiu
CHAN Yee Shing

DIRECTORS' INTEREST

No contracts of significance to which the Association was a party and in which a director of the Association had a material interest, whether directly or indirectly, subsisted at the ended of the year or at any time during the year.

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Gurantee)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER, 2020

MANAGEMENT CONTRACTS

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

AUDITORS

The financial statements have been audited by Messrs. Dave Kwok & Co., Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Lo Yiu

Chairman

Hong Kong.

Date: 23/10/2021

DAVE KWOK & CO.

Certified Public Accountants
Principal: Dave S. N. Kwok

郭嘯南會計師事務所
灣仔謝斐道三百四十六號
保如大廈十三樓G室
會計師：郭嘯南

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED (incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of The Association of Chinese Evangelical Ministry Limited ("the Association") set out on pages 4 to 11, which comprise the statement of financial position as at 31 March 2019, and the income statement for the period 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 ("SMEFRS") 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 SME-FRS 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on pages 1 to 2, 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 the Sole Director 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 sole director 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.

DAVE KWOK & CO.

Certified Public Accountants
Principal: Dave S. N. Kwok

郭嘯南會計師事務所
灣仔謝斐道三百四十六號
保如大廈十三樓G室
會計師：郭嘯南

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(incorporated in Hong Kong with limited liability)
(continued)**

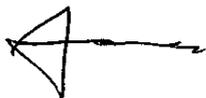
Auditor's Responsibilities for the Audit of the Financial Statements

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion 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. 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. 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 director.
- Conclude on the appropriateness of the director 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.



DAVE KWOK & CO.
Certified Public Accountants
Hong Kong,
Kwok Siu Nam Dave
Practising Certificate Number: P1450
23/10/2021

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Gurantee)
INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	2020 HK\$	2019 HK\$
Income		
Donations	<u>27,000.00</u>	<u>177,050.00</u>
Less:		
Expenses		
Auditor's remuneration	-	5,000.00
Bank charges	350.00	4,866.49
Commision paid	-	3,650.00
Computer expenses	-	180.00
Electricity and water	-	509.60
Insurance	2,576.20	2,133.84
Local travelling	-	3,950.00
Meal expenses	-	1,800.00
Postage and courier	60.00	271.00
Printing and stationary	7,694.70	9,114.00
Rental	40,150.00	45,018.00
Secretarial & registration fees	585.00	1,845.00
Staff supports & costs	15,000.00	189,000.00
Sundry expenses	-	788.50
Telephone and internet	<u>4,035.00</u>	<u>7,812.00</u>
	<u>70,450.90</u>	<u>275,938.43</u>
(Deficit) for the year	<u>(43,450.90)</u>	<u>(98,888.43)</u>

The notes on pages 8 to 11 are an integral part of these accounts.

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Guarantee)
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2020

	2020 HK\$	2019 HK\$
CURRENT ASSETS		
Utility and rental deposit	8,300.00	8,300.00
Cash and bank balances	<u>186,831.32</u>	<u>245,282.22</u>
	195,131.32	253,582.22
LESS:		
CURRENT LIABILITIES		
Accrued expenses	-	15,000.00
	<u>195,131.32</u>	<u>238,582.22</u>
NET CURRENT ASSETS	<u>195,131.32</u>	<u>238,582.22</u>
NET ASSETS	<u>195,131.32</u>	<u>238,582.22</u>
Represented by:		
RESERVES & FUNDS		
Accumulated surplus/(deficits)	(65,693.19)	(22,242.29)
PRC Ministry reserve fund	<u>260,824.51</u>	<u>260,824.51</u>
TOTAL RESERVES & FUNDS/(DEFICITS)	<u>195,131.32</u>	<u>238,582.22</u>

The notes on pages 8 to 11 are an integral part of these accounts.
Approved by the board of directors on 23/10/2021



Chan Ka Keung
Director
23/10/2021



Chan Yee Shing
Director
23/10/2021

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Gurantee)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 2020

	Accumulated surplus/ (deficit) HK\$	PRC Ministry reserve fund HK\$	Total reserves/ (deficits) HK\$
Balance as at 1 January 2019	76,646.14	260,824.51	337,470.65
(Deficit) for the year ended 31/12/2019	(98,888.43)	-	(98,888.43)
	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 31 December 2019	(22,242.29)	260,824.51	238,582.22
(Deficit) for the year ended 31/12/2020	(43,450.90)	-	(43,450.90)
	<u>(43,450.90)</u>	<u>-</u>	<u>(43,450.90)</u>
Balance as at 31 December 2020	<u>(65,693.19)</u>	<u>260,824.51</u>	<u>195,131.32</u>

The notes on pages 8 to 11 are an integral part of these accounts.

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020

Reporting entity

The principal activities of the Association of Chinese Evangelical Ministry Limited (the Association) are to promote the faith of Christianity, China Mission, emergency for Disaster Relief and to promote education for poverty in China. The Association is limited by guarantee, incorporated in Hong Kong and does not have any share capital. The liability of each member is limited to the extent of Hong Kong Three Hundred only. The address of its registered office is located at Unit A2, 12/Floor, Sun Kwong Industrial Building, Tung Chau West Street, Lai Chi Kok, Kowloon. Hong Kong.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

The Association qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 361 of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with SME-FRS. These financial statements have been prepared in accordance with SME-FRS.

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:

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Gurantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(a) 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) donation income is recognised upon receiving of cash or cash equivalent;
- (ii) interest income is recognised on a time proportion basis taking into

(b) Taxation

The Association is a charitable institution exempted from payments of all taxes administered by the Inland Revenue Department by virtue of Section 88 of the Inland Revenue Ordinance with effect from 22 August 1991.

(c) Mandatory provident fund

The Association engages an insurance company to operate a Mandatory Provident Fund Scheme, which employees of the Association are entitled to join. The Association contributes an amount equal to 5 percent of the salary of each participating employee.

(d) Government Grants

Government grants are recognized as income over the periods necessary to match them with the related costs and are credited to surplus or deficit when recognised.

(e) 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

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Gurantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020

(d) Property, plant and equipment (Continued)

Computer and office equipment	20%
Furniture and fixture	20%

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognised in the income statement.

(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 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 estimated 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

2. DIRECTORS' REMUNERATION

Remuneration of the director of the company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Director) Regulation are as follow:

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

3. TAXATION

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

THE ASSOCIATION OF CHINESE EVANGELICAL MINISTRY LIMITED
(Limited by Gurantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2020

4. COMMITMENTS UNDER OPERATING LEASE

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

	2020 HK\$	2019 HK\$
Not later than one year	7,300.00	43,800.00
Later than one year	<u>-</u>	<u>7,300.00</u>
	<u>7,300.00</u>	<u>51,100.00</u>

5. APPROVAL OF ACCOUNTS

These financial statements were authorized for issue by the Company's Board of directors on 23/10/2021