

Modern CPA Limited

Certified Public Accountants, Hong Kong

BROTHERS AND SISTERS IN CHRIST FOUNDATION LIMITED

基督為本基金有限公司

EXECUTIVE COMMITTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2021

BROTHERS & SISTERS IN CHRIST FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

REPORT OF THE EXECUTIVE COMMITTEE

The executive committee have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st March 2021.

PRINCIPAL PLACE AND ACTIVITIES

Brothers & Sisters in Christ Foundation Limited ("the Foundation") is a company incorporated in Hong Kong and has its registered office at Unit 1401, Goodview Centre, 12 Wu Pak Street, Abredeen, Hong Kong.

The principal activity of the Foundation is providing assistance to the poor, the needed and outworks the Christian value base. The Foundation is operating in name of a subsidiary body - Basic Foundation.

RESULTS AN APPROPRIATION

The results of the Foundation for the year ended 31st March 2021 and the state of the Foundation's affairs at that date are set out on pages 5 to 11.

EXECUTIVE COMMITTEE MEMBERS

The executive committee members during the financial year were:-

Mr. Lo Bing Chung
Mr. Lo Yan Chak
Mr. Lo Kam Wah
Mr. Yeung Shing Wo
Mr. Ma Kai Chi

In accordance with article 28 of the Foundation's articles of association, all the executive committee members shall retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more executive committee members of the Foundation.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Foundation.

REPORTING EXEMPTIONS

Since the Foundation falls within reporting exemption for the financial year in accordance with the Companies Ordinance, it has been exempted from certain disclosures in the report of the Executive Committee.

AUDITORS

The financial statements for the year were audited by Messrs. MODERN CPA LIMITED who retire and, being eligible, offer themselves for re-appointment.

For and on behalf of
The executive committee

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke extending to the right.

.....
Lo Bing Chung
Chairman

Hong Kong, 11 October 2021

CERTIFIED PUBLIC ACCOUNTANTS

Director
T.F. Chan FCCA, CPA (Practising)
K.O. Lui, CPA (Practising)

Office B, 16/F
Tower One, Tern Centre
237 Queen's Road Central,
Tel: 2877-9100
Fax: 2877-9960

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROTHERS & SISTERS IN CHRIST FOUNDATION LIMITED (Incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of Brothers & Sisters In Christ Foundation Limited ("the Foundation") set out on pages 5 to 11, which comprise the statement of financial position as at 31 March 2021, and the income statement and accumulated fund 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 Foundation are prepared, in all material respects, in accordance with Hong Kong Small and Medium-Size 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 ("HKSAs") and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with 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 Foundation 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 executive committee members are responsible for the other information. The other information comprises all the information included in the executive committee 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 Executive Committee Members and Those Charged with Governance for the Financial Statements

The executive committee 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 executive committee members 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 executive committee members are responsible for assessing the Foundation'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 executive committee members either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

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

CERTIFIED PUBLIC ACCOUNTANTS

Director

T.F. Chan FCCA, CPA (Practising)

K.O. Lui, CPA (Practising)

Office B, 16/F

Tower One, Tern Centre

237 Queen's Road Central,

Tel: 2877-9100

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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 judgement 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee members.
- Conclusion on the appropriateness of the executive committee 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 Foundation'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 Foundation 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.


Modern CPA Limited
Certified Public Accountants

Lui Kin On
Practising Certificate Number: P06297
Hong Kong,

BROTHERS & SISTERS IN CHRIST FOUNDATION LIMITED

(Limited by Guarantee)

INCOME STATEMENT AND ACCUMULATED FUNDFOR THE YEAR ENDED 31ST MARCH 2021

(Expressed in Hong Kong Dollars)

	NOTE	<u>2021</u>	<u>2020</u>
REVENUE	3	\$ 593,742	\$ 210,020
PROGRAMME EXPENSES	5	(308,435)	(508,622)
PROJECT EXPENSES	9	(261,917)	-
OPERATING EXPENSES	6	(304,951)	(125,358)
OTHER INCOME	4	38,007	686
DEFICIT FOR THE YEAR		\$ (243,555)	\$ (423,274)
ACCUMULATED FUND BROUGHT FORWARD		715,664	1,138,938
ACCUMULATED FUND CARRIED FORWARD		\$ 472,109	\$ 715,664
		=====	=====

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

BROTHERS & SISTERS IN CHRIST FOUNDATION LIMITED

(Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

(Expressed in Hong Kong Dollars)

	NOTE	2021	2020
CURRENT ASSETS			
Cash at bank and in hand		\$ 1,168,095	\$ 699,457
Advance payment		120,000	2,045
Other receivables		2,098	2,162
Utility deposit		15,000	15,000
		<u>\$ 1,305,193</u>	<u>\$ 718,664</u>
CURRENT LIABILITIES			
Accruals		\$ 5,000	\$ 3,000
Grant received in advance	9	828,083	-
		<u>\$ 833,083</u>	<u>\$ 3,000</u>
NET CURRENT ASSETS		<u>\$ 472,110</u>	<u>\$ 1,139,596</u>
EQUITY			
Accumulated fund		<u>\$ 472,110</u>	<u>\$ 715,664</u>

The financial statement on pages 5 to 11 were approved and authorized for issue by the Executive Committee Members on 11 October 2021 and are signed on its behalf by:

Approved by:



LO BING CHUNG
Executive committee member



YEUNG SHING WO
Executive committee member

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

BROTHERS & SISTERS IN CHRIST FOUNDATION LIMITED

(Limited by Guarantee)

ACCOUNTING POLICIES AND EXPLANATORY NOTES

TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

(Expressed in Hong Kong Dollars)

Reporting entity

Brothers & Sisters In Christ Foundation Limited is a Foundation incorporated in Hong Kong with limited by guarantee. The Foundation's registered office is located at Unit 1401, Goodview Centre, 12 Wu Pak Street, Abredeen, Hong Kong.

The principal activity of the Foundation is to provide assistance to the poor, the needed and outwork the Christian value base.

1. LIMITED BY GUARANTEE

Under the provision of the Foundation's Memorandum and Articles of Association, every member of the Foundation undertakes to contribute to the assets of the Foundation in the event of its being wound-up while he is a member, or within one period afterwards, for the payment of the debts and liabilities of the Foundation contracted before he ceases to be a member, and the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding the sum of HK\$100.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Foundation qualifies for the reporting exemption as a small private 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 Foundation 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. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Revenue

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

- (i) Donation income is recognized when the donation is received;
- (ii) Project income or programme income are recognized when there is a reasonable assurance that the Foundation will comply with the conditions attaching to it and that the subsidies will be received and
- (iii) Bank interest income is recognized on a time proportion basis by reference to principal amounts outstanding and the interest rate applicable.

Taxation

No provision for Hong Kong profit tax is made in the financial statements as the Foundation is exempted from all taxes under section 88 of the Inland Revenue Ordinance. Accordingly, no current taxation is accounted for the financial statements.

Deferred tax is not provided.

Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) 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).
 - (ii) 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).
 - (iii) both entities are joint ventures of the same third entity.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (iv) 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.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) 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).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. REVEUNE

An analysis of the Foundation's revenue are as follows:

	<u>2021</u>	<u>2020</u>
Donation received from		
- Executive committee member	\$ 73,000	\$ 41,500
- Others	258,825	168,520
	<hr/>	<hr/>
	\$ 331,825	\$ 210,020
Project income from		
- The Board of Management of the Chinese Permanent Cemeteries ("BMCPC")	261,916	-
	<hr/>	<hr/>
	\$ 593,741	\$ 210,020
	=====	=====

4. OTHER INCOME

	<u>2021</u>	<u>2020</u>
Bank interest income	\$ 7	\$ 686
Government grant - ESS	36,000	-
Others	2,000	-
	<hr/>	<hr/>
	\$ 38,007	\$ 686
	=====	=====

5. PROGRAMME EXPENSES

	<u>NOTE</u>	<u>2021</u>	<u>2020</u>
Direct programme cost	\$	33,791	\$ 169,586
Programme staff emoluments		215,016	272,764
Insurance		4,536	12,144
Meeting expenses		5,263	9,657
Newsletter and publicity		2,945	8,016
Travelling expenses		22,893	17,255
Volunteer training		16,474	8,446
Workshop expenses		5,310	9,885
Other programme expenses		2,207	599
		<hr/>	<hr/>
	\$	308,435	\$ 508,622
		=====	=====

6. OPERATING EXPENSES

		<u>2021</u>	<u>2020</u>
Utility expenses	\$	49,055	\$ 14,566
Rent & rates		149,000	37,533
Stores & equipment		22,760	11,326
Other operating expenses		38,986	17,833
Personal emoluments		45,150	44,100
		<hr/>	<hr/>
	\$	304,951	\$ 125,358
		=====	=====

7. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

Executive committee members' remuneration disclosed pursuant to section 383 of the Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) for the year is "Nil" (2020: Nil).

8. TAXATION

The Foundation is a charitable institution under Section 88 of the Inland Revenue Ordinance (Cap. 112) and, accordingly, is exempted from Hong Kong profit tax.

9. GRANT RECEIVED IN ADVANCE

	<u>2021</u>	<u>2020</u>
Grant income received		
- Hong Kong Club Foundation Limited \$	200,000	\$ -
- BMCPC	890,000	
Subsidy of:		
Project expenses		
- BMCPC Project "Life Education"	(65,959)	-
- BMCPC Project "「正向・動力」 生命教育系列計劃	(195,958)	
	<u>\$ 828,083</u>	<u>\$ -</u>
	=====	=====

10. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Foundation had the following transactions with related parties during the year.

	<u>2021</u>	<u>2020</u>
Rental expenses paid to an executive committee member	\$ 110,000	\$ -
	=====	=====

11. COMMITMENT UNDER OPERATING LEASE

The Foundation had the following total future minimum lease payment payable under non-cancellable operating lease of a property in Hong Kong:-

	<u>2021</u>	<u>2020</u>
- Within one year	\$ 120,000	\$ -
- Later than one year but within five year	10,000	-
	<u>\$ 130,000</u>	<u>\$ -</u>
	=====	=====

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.