K. L. NG & COMPANY
CHARTERED ACCOUNTANTS • CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
基督教榕樹頭之光協會有限公司
LIGHT OF YUNG SHU TAU CHRISTIAN SOCIETY LIMITED
(incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of Light of Yung Shu Tau Christian Society Limited ("the Company") set out on pages 5 to 11, which comprise the statement of financial position as at 31 December 2020, and statement of surplus or deficit and other comprehensive income 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 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 of opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to PN900 (Revised) Audit of Financial Statement 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 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, 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

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 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.

伍冀林會計師行

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INDEPENDENT AUDITOR'S REPORT
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LIGHT OF YUNG SHU TAU CHRISTIAN SOCIETY LIMITED
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(CONTINUED)

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 (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 the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of 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 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.

K L Ng & Co

K. L. Ng & Company
Chartered Accountants
Certified Public Accountants

Hong Kong : 3 July 2021

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基督教榕樹頭之光協會有限公司
LIGHT OF YUNG SHU TAU CHRISTIAN SOCIETY LIMITED
(incorporated in Hong Kong with limited by guarantee)
STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2020

	Note	2020			2019		
		General fund	Development fund	Total	General fund	Development fund	Total
INCOME		HK$	HK$	HK$	HK$	HK$	HK$
Donations received		2,036,882.56	-	2,036,882.56	1,601,567.00	2,500.00	1,604,067.00
Interest income		22.53	-	22.53	1,621.06	-	1,621.06
Miscellaneous		4,030.00	-	4,030.00	13,560.00	-	13,560.00
Government grant under Employment Support Scheme		237,528.00	-	237,528.00	-	-	-
		2,278,463.09	-	2,278,463.09	1,616,748.06	2,500.00	1,619,248.06
EXPENSES							
Depreciation		-	(44,070.00)	(44,070.00)	-	(44,070.00)	(44,070.00)
Donations paid		(60,000.00)	-	(60,000.00)	-	-	-
Operating rental paid in respect of land and building		(150,000.00)	-	(150,000.00)	(106,250.00)	-	(106,250.00)
Staff costs							
- Salaries		(1,072,824.60)	-	(1,072,824.60)	(1,133,532.00)	-	(1,133,532.00)
- Mandatory provident fund		(51,845.30)	-	(51,845.30)	(56,676.60)	-	(56,676.60)
- Staff medical		(6,168.80)	-	(6,168.80)	(3,208.00)	-	(3,208.00)
	5	(1,130,838.70)	-	(1,130,838.70)	(1,193,416.60)	-	(1,193,416.60)
Other operating expenses		(354,160.09)	-	(354,160.09)	(449,012.14)	(56,660.00)	(505,672.14)
		(1,694,998.79)	(44,070.00)	(1,739,068.79)	(1,748,678.74)	(100,730.00)	(1,849,408.74)
Surplus/(Deficit) for the year	6	583,464.30	(44,070.00)	539,394.30	(131,930.68)	(98,230.00)	(230,160.68)
Other comprehensive income		-	-	-	-	-	-
Surplus/(Deficit) and total comprehensive income for the year		583,464.30	(44,070.00)	539,394.30	(131,930.68)	(98,230.00)	(230,160.68)

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

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LIGHT OF YUNG SHU TAU CHRISTIAN SOCIETY LIMITED
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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 HK$	2019 HK$
Non-current assets			
Property, plant and equipment	8	1,488,670.00	1,532,740.00
Current assets			
Rental and utility deposits		47,900.00	47,900.00
Cash at bank		2,044,673.82	1,398,209.52
Cash in hand		5,000.00	8,000.00
		2,097,573.82	1,454,109.52
Less: Current liability			
Accrued expenses		(68,000.00)	(8,000.00)
Net current assets		2,029,573.82	1,446,109.52
NET ASSETS		3,518,243.82	2,978,849.52
REPRESENTED BY:			
Accumulated fund	9	1,687,238.69	1,303,774.39
Development fund	10	1,831,005.13	1,675,075.13
		3,518,243.82	2,978,849.52

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS BY:

WONG Ah Chor
Director

CHEUNG Wan Loi
Director

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

基督教榕樹頭之光協會有限公司

LIGHT OF YUNG SHU TAU CHRISTIAN SOCIETY LIMITED
(incorporated in Hong Kong with limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Light of Yung Shu Tau Christian Society Limited is a company incorporated in Hong Kong. In pursuant to Article 6 of the Memorandum of Association, every member undertakes to contribute to the assets of the company, in the event of its being wound up, such amount as may be required not exceeding ten Hong Kong dollars. The address of its registered office is 1st Floor, Career Court, 56-58 Tonkin Street, Sham Shui Po, Kowloon, Hong Kong.

The principal activities of the Company are to propagate the Christian Gospel and to promote the faith of Christianity particularly to and with the poor.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company 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 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

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) Income from donations is recognised on a cash basis.
(ii) Interest income is recognised on a time proportion basis.

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LIGHT OF YUNG SHU TAU CHRISTIAN SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

(CONTINUED)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES – CONTINUED

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold land and building	1.5-2.5% per annum

No depreciation is provided on equipment which are fully written off in the year of acquisition.

(c) Impairment of assets

The Company reviews the carrying amounts of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the assets exceeds the recoverable amount.

(d) Employee benefits

Salaries, annual bonuses and allowances are accrued and recognised as an expense in the year in which the associated services are rendered by employees of the Company.

Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Scheme Ordinance are recognised as an expense in the income statement as incurred.

(e) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Company will comply with the conditions attaching to them.

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LIGHT OF YUNG SHU TAU CHRISTIAN SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

(CONTINUED)

3. REVENUE

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

	2020 HK$	2019 HK$
Donations received	2,036,882.56	1,604,067.00

4. DIRECTORS' EMOLUMENTS

The aggregate amounts of the directors' emoluments pursuant to section 383(1) of the Hong Kong Companies Ordinance are as follows:-

	2020 HK$	2019 HK$
Fees	-	-
Other emoluments		
- Salaries and allowance	277,560.00	277,560.00
- Mandatory provident fund contribution	13,878.00	13,878.00
	291,438.00	291,438.00

5. STAFF COSTS

	2020 HK$	2019 HK$
Salaries	1,072,824.60	1,133,532.00
Mandatory provident fund	51,845.30	56,676.60
Staff medical	6,168.80	3,208.00
	1,130,838.70	1,193,416.60

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LIGHT OF YUNG SHU TAU CHRISTIAN SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

(CONTINUED)

6. SURPLUS/(DEFICIT) FOR THE YEAR

Surplus/(Deficit) for the year is arrived at after charging :-

	2020 HK$	2019 HK$
Depreciation	44,070.00	44,070.00
Operating rental paid in respect of land and building	150,000.00	106,250.00
Staff costs	1,130,838.70	1,193,416.60
And crediting:-		
Bank interest received	22.53	1,621.06

7. TAXATION

The Company is exempted from Hong Kong profits tax under Section (88) of the Inland Revenue Ordinance.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building HK$
COST	
At 1 January 2020 and 31 December 2020	2,237,860.00
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	
At 1 January 2020	705,120.00
Depreciation for the year charged to Development fund (Note 10)	44,070.00
At 31 December 2020	749,190.00
NET CARRYING AMOUNT	
At 31 December 2020	1,488,670.00
At 31 December 2019	1,532,740.00

The leasehold land and building is situated in Hong Kong under medium term lease.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

(CONTINUED)

9. ACCUMULATED FUND

	2020 HK$	2019 HK$
Balance brought forward	1,303,774.39	1,435,705.07
Surplus/(Deficit) for the year	583,464.30	(131,930.68)
Transfer (Note 10)	(200,000.00)	-
Balance carried forward	1,687,238.69	1,303,774.39

10. DEVELOPMENT FUND

	2020 HK$	2019 HK$
Balance brought forward	1,675,075.13	1,773,305.13
Deficit for the year	(44,070.00)	(98,230.00)
Transfer (Note 9)	200,000.00	-
Balance carried forward	1,831,005.13	1,675,075.13

11. OPERATING LEASE COMMITMENTS

The Company leases its premises under operating lease arrangement for a term of 1 year. At year ended date, the Company had total future minimum lease payments under non-cancellable operating lease falling due as follows:-

	2020 HK$	2019 HK$
Lease expires:-		
Within one year	-	37,500.00
In the second to fifth years inclusive	-	-
	-	37,500.00

12. APPROVAL OF FINANCIAL STATEMENTS

These statements were authorised for issue by the directors on 3 July 2021.