

Modern CPA Limited

Certified Public Accountants, Hong Kong

BROTHERS & SISTERS IN CHRIST FOUNDATION LIMITED

EXECUTIVE COMMITTEE'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2019

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 2019.

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, Aberdeen, 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

The surplus for the year ended 31st March 2019 and the state of the Foundation's affairs at that date are set out on pages 5 to 8.

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



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Lo Bing Chung
Chairman

Hong Kong, 17 JUN 2019

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 8, which comprise the statement of financial position as at 31 March 2019, 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 ("HKSA") 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 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 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, 17 JUN 2019

BROTHERS & SISTERS IN CHRIST FOUNDATION LIMITED

(Limited by Guarantee)

INCOME STATEMENT AND ACCMULATED FUNDFOR THE YEAR ENDED 31ST MARCH 2019

(Expressed in Hong Kong Dollars)

	NOTE	2019	Period from 1 Dec 2016 to 30 Nov 2018
DONATION RECEIVED	2	\$ 467,600	\$ 245,488
PROGRAMME EXPENSES		(203,681)	(16,068)
VOLUNTEER AND WORKSHOP EXPENSES		(12,913)	-
ADMINISTRATIVE EXPENSES		(381,653)	(159,503)
BANK INTEREST RECEIVED		649	8
SURPLUS/(DEFICIT) FOR THE YEAR/PERIOD		\$ (129,998)	\$ 69,925
ACCUMULATED FUND BROUGHT FORWARD		1,268,936	1,199,011
ACCUMULATED FUND CARRIED FORWARD		\$ 1,139,938	\$ 1,268,936

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 2019

(Expressed in Hong Kong Dollars)

	NOTE	2019	2018
CURRENT ASSETS			
Cash at bank		\$ 1,122,555	\$ 1,246,891
Deposit and prepayment		20,883	25,039
		<u> </u>	<u> </u>
		\$ 1,143,438	\$ 1,271,930
		<u>-----</u>	<u>-----</u>
CURRENT LIABILITIES			
Accruals		\$ 4,500	\$ 2,994
		<u> </u>	<u> </u>
		\$ 4,500	\$ 2,994
		<u>-----</u>	<u>-----</u>
NET CURRENT ASSETS		\$ 1,138,938	\$ 1,268,936
		<u>=====</u>	<u>=====</u>
EQUITY			
Accumulated fund		\$ 1,138,938	\$ 1,268,936
		<u>=====</u>	<u>=====</u>

The financial statement on pages 5 to 8 were approved and authorized for issue by the Executive Committee Members on **17 JUN 2019** 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 NOTESTO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 2019

(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, Aberdeen, Hong Kong.

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

1. 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:

(a) 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; and
- (ii) Bank interest income is recognized on a time proportion basis by reference to principal amounts outstanding and the interest rate applicable

2. DONATION RECEIVED

The Foundation's donation received is as follows:

	<u>2019</u>	<u>2018</u>
Donation received from an executive committee member	\$ 100,000	\$ 205,000
Donation received from others	367,600	40,488
	<hr/>	<hr/>
	\$ 467,600	\$ 245,488
	=====	=====

3. 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" (2018: Nil).

4. 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.

5. LIMITED BY GUARANTEE

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 year after he ceases to be member, for payment of the debts and liabilities of the Foundation contracted before he ceases to be a member, and of the cost, charges, and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amounts as may be required not exceeding one hundred Hong Kong Dollars.

(For Management Purposes Only)

BROTHERS & SISTERS IN CHRIST FOUNDATION LIMITED

(Limited by Guarantee)

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2019

(Expressed in Hong Kong Dollars)

REVENUE		
Donation received	\$	467,600
BANK INTEREST INCOME		649
		<hr/>
	\$	468,249
PROGRAMME EXPENSE		(203,681)
VOLUNTEER AND WORKSHOP EXPENSES		(12,913)
		<hr/>
	\$	251,655
ADMINISTRATIVE EXPENSES		
Electricity	\$	2,563
Water and Sewage Charge		52
Internet & IT Expense		8,908
Telephone		5,528
Management fee		32,496
Government rent and rates		1,494
Postage		1,125
Bank charges		0
Secretarial Service fee		0
Printing & stationery		7,942
Repair & maintenance		2,210
Office equipment		7,272
Insurance		7,215
Cleaning		3,696
Meeting expenses		7,782
Sundry expenses		2,405
Reference materials		949
Staff training		3,938
Transportation & Traveling		20,398
Salary & MPF		258,300
Promotion & publicity		4,380
Audit fee		3,000
		<hr/>
		381,653
		<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR	\$	(129,998)
		=====