

**CCM CHRISTIAN MISSION LIMITED  
(LIMITED BY GUARANTEE)**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

CCM CHRISTIAN MISSION LIMITED  
(Limited by Guarantee)

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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CCM CHRISTIAN MISSION LIMITED

(Limited by Guarantee)

DIRECTORS' REPORT

The directors presented their annual report and the audited financial statements of the Mission for the year ended December 31, 2019.

PRINCIPAL ACTIVITIES

During the year, the Mission continued to engage in the provision of religious activities.

BUSINESS REVIEW

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

RESULTS

The result of the Mission for the year ended December 31, 2019 and the state of the Mission's affairs at that date are set out in the financial statements on pages 6 to 20.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 5 to the financial statements.

DIRECTORS

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

Chan Hee Luk  
Chan Kam Hoi  
Law Siu Lun  
Lui Kwan Mong  
Pang Wing Fuk

In accordance with Article 36 of the Mission's Articles of Association, the term of office of directors shall be three years and at the end of every term of office he or she shall retire from office, but shall be eligible for re-election.

CCM CHRISTIAN MISSION LIMITED  
(Limited by Guarantee)

DIRECTORS' REPORT - CONTINUED

DIRECTORS' INTERESTS IN CONTRACTS

Save as transactions disclosed in note 12 to the financial statements for which the directors have beneficial interests, no other contracts of significance in relation to the Mission's business to which the Mission was a party and in which any directors of the Mission had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Mission a party to any arrangement to enable the directors of the Mission to acquire benefits by means of the acquisition of shares in or debentures of the Mission or its associated corporations.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year.

INDEMNITY OF DIRECTORS

During the financial year and up to the date of this report, the Mission has in force indemnity provisions as permitted under section 469 of the Companies Ordinance for the benefit of the directors of the Mission. The permitted indemnity provisions are provided for in the Mission's Articles of Association.

AUDITORS

A resolution will be submitted to the annual general meeting of the Mission to re-appoint Messrs. Ng, Suen, Lau C.P.A. Limited.

On behalf of the Board



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Chan Kam Hoi

Hong Kong, **26 AUG 2020**

INDEPENDENT AUDITOR'S REPORT

To the members of  
CCM CHRISTIAN MISSION LIMITED  
(Incorporated in Hong Kong with liability limited by guarantee)

*Opinion*

We have audited the financial statements of CCM Christian Mission Limited (the "Mission") set out on pages 6 to 20, which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Mission as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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") 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 Mission 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 the 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.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

To the members of  
CCM CHRISTIAN MISSION LIMITED  
(Incorporated in Hong Kong with liability limited by guarantee)

*Responsibilities of Directors and Those Charged with Governance for the Financial Statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS for Private Entities 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 Mission'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 Mission or to cease operations, or have no realistic alternative but to do so.

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

*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 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 Mission's internal control.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

To the members of  
CCM CHRISTIAN MISSION LIMITED  
(Incorporated in Hong Kong with liability limited by guarantee)

*Auditor's Responsibilities for the Audit of the Financial Statements - Continued*

- 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 Mission'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 Mission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Ng, Suen, Lau C.P.A. Limited  
Certified Public Accountants (Practising)

Hong Kong, **26 AUG 2020**

Suen Man Fai  
Practising Certificate Number: P02427

CCM CHRISTIAN MISSION LIMITED  
(Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property, plant and equipment	5	<u>19,319,302</u>	<u>19,894,102</u>
<b>Current assets</b>			
Inventories	6	75,952	84,665
Trade receivables		3,087	4,134
Other receivables, deposits and prepayments		1,060,806	837,993
Time deposits		3,297,919	6,247,219
Bank balances and cash		9,320,209	4,493,410
		<u>13,757,973</u>	<u>11,667,421</u>
<b>Total assets</b>		<u><u>33,077,275</u></u>	<u><u>31,561,523</u></u>



CCM CHRISTIAN MISSION LIMITED  
(Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION - CONTINUED

AS AT DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Other payables and accruals		1,262,636	860,078
Deferred income	7	3,021,822	-
		<u>4,284,458</u>	<u>860,078</u>
<b>Reserves</b>			
General fund		1,681,541	3,162,357
Medical fund		122,055	136,696
Hong Kong missionaries fund		4,842,546	5,010,028
Hong Kong field fund		1,684,966	1,466,810
Theology scholarship fund		649,529	608,320
Missionary emergency medical fund		144,331	144,331
Property fund		19,251,350	19,801,388
Thomas Wang cross cultural memorial fund		416,499	371,515
		<u>28,792,817</u>	<u>30,701,445</u>
<b>Total liabilities and reserves</b>		<u><u>33,077,275</u></u>	<u><u>31,561,523</u></u>

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

Approved on behalf of the Board by:



Chan Kam Hoi



Pang Wing Fuk

CCM CHRISTIAN MISSION LIMITED  
(Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>Revenue</b>			
Donation	8	14,821,817	16,397,890
Designated donation	9	793,717	800,805
<b>Other revenue</b>			
Administrative charge income		404,371	429,888
Exchange gain		4,492	1,472
Interest income		68,752	44,558
Reversal of impairment loss on trade and other receivables		115,620	-
Seminar income		63,731	46,696
Short term mission team income		36,781	82,394
Sundry income		93,392	2,500
Surplus/(deficit) from bookroom	10	62,523	(281,671)
		<u>16,465,196</u>	<u>17,524,532</u>

CCM CHRISTIAN MISSION LIMITED  
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STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Expenditure</b>			
Annual report and Thanksgiving gift		84,824	78,009
Auditors' remuneration		24,050	28,980
Bank charges		7,380	6,810
Book and evangelise tool expenses		-	17,511
Book exhibition		29,589	50
Building management fee		193,056	187,020
Cleaning		42,750	40,180
Computer software		14,988	1,220
Depreciation		592,400	595,085
Designated donation expenses		793,717	800,805
Gospel lunch meeting		13,026	13,517
Government rent and rates		90,920	89,420
HK Field expenses		339,977	456,334
Hospitality		8,335	8,313
Impairment loss on trade and other receivables		-	115,620
Insurance		30,982	32,866
Loss on disposal of property, plant and equipment		-	1,840
Medical expenses		89,553	76,245
Membership fee		4,000	3,200
Mission expenses		215,830	176,892
Missionary expenses	11	6,803,370	6,429,146
Newspaper		4,796	3,296
Office expenses		2,150	1,779
Postage		30,796	31,836
Printing and stationery		32,490	24,670
Provident fund expenses		356,148	322,069
Publishing expenses		4,106,088	4,113,427
Repairs and maintenance		83,461	95,686
Retreat camp expenses		10,021	15,700
Salaries and allowance		4,133,760	4,032,304
Seminar expenses		41,895	39,756
Short term mission		28,925	80,592
Sundry expenses		46,735	26,947
Telephone, light and power		98,382	109,165
Thomas Wang cross cultural memorial fund expenses		15,674	6,642
Training expenses		100	8,078
Transportation		3,206	2,341
Volunteer expenses		450	1,050
		<u>18,373,824</u>	<u>18,074,401</u>
<b>Deficit and total comprehensive income for the year</b>		<u>(1,908,628)</u>	<u>(549,869)</u>

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

CCM CHRISTIAN MISSION LIMITED  
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STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

	General fund	Medical fund	Hong Kong missionaries fund	Hong Kong field fund	Theology scholarship fund	Missionary emergency medical fund	Property fund	Thomas Wang cross cultural memorial fund	Total
As at 01.01.2018	4,699,042	129,647	4,190,112	1,235,519	501,236	144,331	20,351,427	-	31,251,314
Total comprehensive income for the year	(1,248,531)	(81,105)	819,916	231,291	107,084	-	(550,039)	171,515	(549,869)
Transfer of funds	(288,154)	88,154	-	-	-	-	-	200,000	-
As at 31.12.2018 and 01.01.2019	3,162,357	136,696	5,010,028	1,466,810	608,320	144,331	19,801,388	371,515	30,701,445
Total comprehensive income for the year	(1,399,706)	(95,751)	(167,482)	218,156	41,209	-	(550,038)	44,984	(1,908,628)
Transfer of funds	(81,110)	81,110	-	-	-	-	-	-	-
As at 31.12.2019	1,681,541	122,055	4,842,546	1,684,966	649,529	144,331	19,251,350	416,499	28,792,817

CCM CHRISTIAN MISSION LIMITED  
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Cash receipts from sale of books	106,426	90,462
Cash receipts from donors and customers	16,218,301	17,761,645
Cash receipts from donors for South Thailand school project	3,021,822	-
Cash payments to missionaries, staff and suppliers	(17,520,202)	(17,403,531)
Net cash generated from operating activities	<u>1,826,347</u>	<u>448,576</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(17,600)	(3,200)
Decrease/(increase) in time deposits with original maturity over three months at inception	2,949,300	(4,219,227)
Interest income received	68,752	44,558
Net cash generated from/(used in) investing activities	<u>3,000,452</u>	<u>(4,177,869)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,826,799	(3,729,293)
<b>Cash and cash equivalents at beginning of the year</b>	4,493,410	8,222,703
<b>Cash and cash equivalents at end of the year</b>	<u>9,320,209</u>	<u>4,493,410</u>
<b>Analysis of the balance of cash and cash equivalents</b>		
Bank balances and cash	<u>9,320,209</u>	<u>4,493,410</u>

CCM CHRISTIAN MISSION LIMITED  
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

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1. GENERAL

The Mission was incorporated under the Hong Kong Companies Ordinance on October 2, 1979 as a company limited by guarantee and not having a share capital. The liability of each member is limited to the extent of HK\$100. The address of its registered office is 9/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong.

The principal activities of the Mission are to engage in the provision of religious activities.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance. They have been prepared using the historical cost convention.

a. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated 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	Over the remaining term of lease
Leasehold improvement	20%
Furniture and equipment	20%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

b. Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average cost method.

CCM CHRISTIAN MISSION LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - Continued

c. Impairment of assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

d. Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

CCM CHRISTIAN MISSION LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - Continued

f. Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Trade and other payables denominated in a foreign currency are translated into Hong Kong dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

g. Revenue and other income recognition

Donations are recognised when the money has been actually received and entitlement is established by the Mission.

Designated donations are recognised as income when the amounts have been received from the donors and the related expenditure is charged to profit or loss. Designated donations are recognised as deferred income when the amounts have been received from the donors but the related expenditure has not been incurred. Transfers from the deferred income to income are recognised when the related expenditure is incurred and charged to profit or loss.

Sale of books is recognised as income while the goods are delivered and title has been passed.

Seminar income are recognised when the seminar are rendered.

Interest income is recognised using the effective interest method.

h. Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

i. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Hong Kong Dollars, which is the Mission's functional and presentation currency.



CCM CHRISTIAN MISSION LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - Continued

i. Foreign currency translation - Continued

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that rebate to borrowings and cash and cash equivalents are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other income" or "other expenses".

j. Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material these amounts are stated at their present values.

The Mission operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, and another defined contribution retirement scheme under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") for those employees who are eligible to participate in the schemes. The Mission's contributions are made to the MPF Scheme based on a percentage of the employees' relevant income and to the ORSO Scheme based on a percentage of the employees' basic salaries. These contributions are charged to the profit or loss as the Mission become payable in accordance with the Schemes. The assets of the MPF Scheme are held separately from those of the Mission in an independently administrated trust fund. The Mission's employer contributions vest fully with the employees when contributed into the ORSO and MPF Scheme.

CCM CHRISTIAN MISSION LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

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3. TRANSITION TO HONG KONG FINANCIAL REPORTING STANDARD FOR PRIVATE ENTITIES

The Company's financial statements for the year ended December 31, 2019 are its first annual financial statements prepared under accounting policies that comply with the HKFRS for Private Entities. The Company applied full Hong Kong Financial Reporting Standards (HKFRSs) to prepare its financial statements prior to the application of the HKFRS for Private Entities.

The Company's date of transition is January 1, 2018 and the Company prepared its opening statement of financial position in compliance with the HKFRS for Private Entities at that date. The transition from its previous financial reporting framework to the HKFRS for Private Entities does not have significant effect on its reported financial position, financial performance and cash flows.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT

Estimates and judgment used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Useful lives of property, plant and equipment**

The Mission's management determines the estimated useful lives and related depreciation for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

**Net realisable value of inventories**

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less selling expenses. These estimates are based on the current market conditions and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycles. Management will reassess the estimates by the reporting date.

CCM CHRISTIAN MISSION LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

5. PROPERTY, PLANT AND EQUIPMENT

	<u>Leasehold land and building</u>	<u>Leasehold improvement</u>	<u>Furniture and equipment</u>	<u>Total</u>
<u>Cost</u>				
As at 01.01.2019	24,751,736	1,235,155	592,245	26,579,136
Additions	-	-	17,600	17,600
As at 31.12.2019	<u>24,751,736</u>	<u>1,235,155</u>	<u>609,845</u>	<u>26,596,736</u>
<u>Accumulated depreciation</u>				
As at 01.01.2019	4,950,348	1,235,155	499,531	6,685,034
Charge for the year	550,038	-	42,362	592,400
As at 31.12.2019	<u>5,500,386</u>	<u>1,235,155</u>	<u>541,893</u>	<u>7,277,434</u>
<u>Carrying amount</u>				
As at 31.12.2019	<u>19,251,350</u>	<u>-</u>	<u>67,952</u>	<u>19,319,302</u>

6. INVENTORIES

	<u>2019</u>	<u>2018</u>
Books for re-sales	367,564	396,396
Less: Impairment	(291,612)	(311,731)
	<u>75,952</u>	<u>84,665</u>

7. DEFERRED INCOME

	<u>2019</u>	<u>2018</u>
South Thailand school project donation	<u>3,021,822</u>	<u>-</u>

CCM CHRISTIAN MISSION LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

8.	<u>DONATION</u>	<u>2019</u>	<u>2018</u>
	General donation	5,065,453	4,688,317
	Salary and staff expenses donation	271,584	223,986
	Literature donation	1,714,526	2,494,605
	Book donation	114,785	109,551
	Mission donation	476,858	678,576
	HK Missionary & HK Field donation	7,154,443	8,174,530
	Gospel lunch donation	24,168	24,325
	Macau donation	-	4,000
		<u>14,821,817</u>	<u>16,397,890</u>
9.	<u>DESIGNATED DONATION</u>	<u>2019</u>	<u>2018</u>
	CCM family	<u>793,717</u>	<u>800,805</u>
10.	<u>SURPLUS/(DEFICIT) FROM BOOKROOM</u>	<u>2019</u>	<u>2018</u>
	Sales	<u>104,758</u>	<u>86,612</u>
	Cost of sales		
	Opening inventories	396,396	353,771
	Purchases	15,463	53,135
	Closing inventories	<u>(367,564)</u>	<u>(396,396)</u>
		44,295	10,510
	Other direct cost	18,059	46,042
	(Reversal of) impairment loss on inventories	<u>(20,119)</u>	<u>311,731</u>
		42,235	368,283
	Surplus/(deficit) from bookroom	<u>62,523</u>	<u>(281,671)</u>

CCM CHRISTIAN MISSION LIMITED  
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Hong Kong Dollars)

11. <u>MISSIONARY EXPENSES</u>	<u>2019</u>	<u>2018</u>
Medical fund	48,280	47,398
Hong Kong missionaries fund	6,755,090	6,343,595
Theology scholarship fund	-	38,153
	<u>6,803,370</u>	<u>6,429,146</u>

12. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

	<u>2019</u>	<u>2018</u>
Directors' fee	-	-
Other emoluments	-	-
Contributions to defined contribution plan	-	-
	<u>-</u>	<u>-</u>

13. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Mission is a charitable institution under Section 88 of the Inland Revenue Ordinance (Chapter 112) and is therefore exempted from taxes levied under this Ordinance.

CCM CHRISTIAN MISSION LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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14. EVENTS AFTER THE END OF THE REPORTING PERIOD

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, a series of precautionary and control measures have been implemented by countries worldwide and have affected global businesses and economic activities to some extent. As these measures were taken after December 31, 2019, the event did not provide evidence of conditions that existed during the reporting period and is therefore a non-adjusting event. Accordingly, the assessment of the recoverability of the Mission’s assets carrying amounts are based on conditions existing as at December 31, 2019 and does not include the effects from the COVID-19 outbreak.

Given the macro-economic uncertainties experienced after the reporting period, developments in the COVID-19 outbreak could affect the Mission’s earnings, cash flows and financial conditions in the next financial period. The extent of the impact cannot be determined at this juncture.

15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved and authorised to issue by the Board of Directors on **26 AUG 2020**.

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