

THE CONSERVANCY ASSOCIATION CENTRE FOR
HERITAGE LIMITED

長春社文化古蹟資源中心有限公司

STATEMENTS OF ACCOUNTS

For the year ended 31 December 2020

楊少銓會計師事務所

ALBERT S. C. YOUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
EXECUTIVE COMMITTEE'S REPORT

The executive committee has pleasure to present the annual report together with the audited financial statements of the Association for the year ended 31 December 2020.

Principal activities

The principal activities of the Association are established for the objective of serving as an education and information centre on local heritage issues to the public during the year.

Results and appropriations

The result of the Association for the year ended 31 December 2020 and the state of the Association's affairs at that date are set out in the annexed financial statements and notes.

Property, plant and equipment

Details of movements during the year in the property, plant and equipment of the Association are set out in note 7 to the financial statements.

Business review

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

Executive committee

The members of executive committee during the financial year were:

Chan Chit Kwai, Stephen
Chan Chi Yuen
Chan Hiu Fun
Ho Lok Sang, Harrison
Ho Siu Fong, Betty
Hung Wing Tat
Lai Kwong Tak, Albert
Lai Wing Sze, Chloe
Lam Kin Lai

Leung Ping Wa
Ma Koon Yiu
So Kwok Yin
Woo Kwok Ping
Wu Yim Chung, Anven
Yeung Wing-on, Henri
Yick Wing Fat, Simon

In accordance with the Articles no. 26 & 27 of Association, Mr. Chan Chit Kwai, Stephen; Ms. Ho Siu Fong, Betty; Dr. Leung Ping Wa; Mr. Wu Yim Chung, Anven; Ms. Woo Kwok Ping; Dr. Lai Wing Sze, Chloe; Dr. Yeung Wing On; Mr. Ho Lok Sang, Harrison; Mr. Chan Hiu Fun, Ivan whose term of office shall expire on the close of this year's Annual General Meeting and, being eligible, shall offer themselves for re-election.

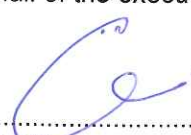
Executive committee members' interests in contracts

No contract of significance to which the Association was a party and in which the executive committee members of Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Auditors

A resolution to reappoint Messrs. Albert S. C. Young & Company as auditors of the Association will be proposed at the annual general meeting.

On behalf of the executive committee


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Lai Wing Sze
Chairman
Hong Kong,

28 OCT 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**

(incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of The Conservancy Association Centre for Heritage Limited ("the Association") set out on pages 4 to 10, which comprise the statement of financial position as at 31 December 2020, and the income statement 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 Association 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.

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 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 executive committee members are responsible for the other information. The other information comprises the information included in the executive committee's report set out on page 1, 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 for the financial statements

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**

(incorporated in Hong Kong with liability limited by guarantee)

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. Our 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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by executive committee members.
- Conclude 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 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.



Albert S. C. Young & Company,
Certified Public Accountants.

Hong Kong, 28 OCT 2021

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
STATEMENT OF FINANCIAL POSITION at 31 December 2020

	Note	<u>2020</u> \$	<u>2019</u> \$
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,059	2,611
Current assets			
Account receivables	8	445,550	266,030
Cash and bank balances		4,723,185	3,530,868
		5,168,735	3,796,898
Current liabilities			
Account payables	9	1,413,604	123,562
Net current assets		3,755,131	3,673,336
Total assets less current liabilities		3,756,190	3,675,947
Non-current liabilities			
Amount due to a related Association	10	400,000	400,000
		400,000	400,000
Net assets		3,356,190	3,275,947
GENERAL FUND			
Accumulated surplus		3,356,190	3,275,947

Approved on behalf of the Executive Committee by:

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Lai Wing Sze
Chairman

.....
Yick Wing Fat, Simon
Honorary treasurer

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

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
INCOME STATEMENT
For the year ended 31 December 2020

	Note	<u>2020</u> \$	<u>2019</u> \$
Revenue	3	5,008,793	4,184,166
Expenditure			
Operating and administrative expenses		(1,323,114)	(1,180,939)
Projects expenditure		(3,605,436)	(2,876,885)
Surplus before tax	4	<u>80,243</u>	<u>126,342</u>
Income tax expense	6	-	-
Surplus for the year		<u><u>80,243</u></u>	<u><u>126,342</u></u>

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

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. General

The Association is a private company domiciled and incorporated in Hong Kong with liability limited by guarantee. The address of the registered office and principal place of business of the Association is G/F. and 1/F., Annex Block, Western District Community Centre, 36A Western Street, Hong Kong. The principal activities of the Association are established for the objective of serving as an education and information centre on local heritage issues to the public during the year.

2. Basic of preparation and accounting policies

(a) Basis of accounting

The Association qualifies for the reporting exemption as a small private company under Section 359 (1)(a) for 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 under the accrual basis of accounting and on the basis that the Association 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:

(b) Currency

These financial statements have been prepared in Hong Kong dollars.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over their estimated useful lives on a straight-line basis.

(d) 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 office 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 profit or loss. A previously recognised loss is reversed only if there has been a change in the estimates 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 impairment losses been recognised for the asset in prior years.

(e) Account receivables

Account receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(f) Account payables

Account payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial that are measured at their original invoice amount.

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2. Basic of preparation and accounting policies (continued)

(g) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Association has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(h) Related parties

(a) A person or a close member of that person's family is related to the Association if that person:

- (i) has control or joint control over the Association;
- (ii) has significant influence over the Association; or
- (iii) is a member of the key management personnel of the Association or of a parent of the Association.

(b) An entity is related the Association if any of the following conditions applies:

- (i) The entity and the Association 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 party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.
- (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 member of a group of which it is a part, provides key management personnel services to the Association or to the parent of the Association.

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.

(i) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue and costs, if applicable, can be measured reliably, on the following bases :

- (i) Donations income are recognised on cash basis.
- (ii) Grants income are recognised on accrual basis.
- (iii) Interest income, on a time proportion basis, taking into account the principal outstanding and the effective interest rate applicable.

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

3. Revenue

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

	<u>2020</u>	<u>2019</u>
	\$	\$
Donations	105,570	64,219
Grant from the Hong Kong Jockey Club	2,359,286	2,685,784
Grant from the ICHO	774,150	-
Activities income	137,905	389,003
Education activities	819,480	604,180
Employment Support Scheme	282,000	-
Lecture & supervision	24,192	28,592
Small projects	458,783	408,418
Sundry income	47,368	1,780
Bank interest income	59	2,190
	<u>5,008,793</u>	<u>4,184,166</u>

4. Surplus before tax

Surplus before tax is stated after charging:-

Company secretarial fee	2,355	5,085
Staff cost		
- Salaries	887,836	514,356
- Mandatory provident fund	42,509	34,419
Depreciation	<u>1,552</u>	<u>1,552</u>

5. Directors' remuneration

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

Executive committee members' emoluments

- Committee members' fee
- Salaries and allowance

-	-
-	-
<u>-</u>	<u>-</u>

6. Income tax expense

The Association has been exempted under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character.

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7. Property, plant and equipment

	Leasehold improvements \$	Furniture and fittings \$	Office equipment \$	Total \$
Cost -				
At 31.12.2019	1,269,098	156,899	900,793	2,326,790
Additions/(disposals)	-	-	-	-
At 31.12.2020	1,269,098	156,899	900,793	2,326,790
Accumulated depreciation -				
At 31.12.2019	1,269,098	156,899	898,182	2,324,179
Charges for the year	-	-	1,552	1,552
At 31.12.2020	1,269,098	156,899	899,734	2,325,731
Net book value -				
At 31.12.2020	-	-	1,059	1,059
At 31.12.2019	-	-	2,611	2,611

Depreciation is charges on straight line basis at annual rate of 20%.

8. Account receivables

	2020 \$	2019 \$
Deposit and prepayment	17,050	21,099
Grant receivables	428,500	244,931
	445,550	266,030

9. Account payables

Accruals	90,537	20,357
Received in advance	1,323,067	103,205
	1,413,604	123,562

10. Amount due to a related Association

The amount due to a related Association is unsecured, interest-free and repayable on demand.

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
NOTES TO THE FINANCIAL STATEMENTS

11. Changes in equity

	Accumulated surplus
	<u>\$</u>
Balance at 31 December 2019	3,275,947
Surplus for the year	<u>80,243</u>
Balance at 31 December 2020	<u><u>3,356,190</u></u>

12. Approval of financial statements

These financial statements were authorised for issue by the Association's Executive Committee
on 28 OCT 2021