

**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 2021

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 2021.

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 2021 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 | Lam Kin Lai |
| Chan Chi Yuen | Leung Ping Wa |
| Chan Hiu Fun | Ma Koon Yiu |
| Ho Lok Sang, Harrison | So Kwok Yin |
| Ho Siu Fong, Betty | Woo Kwok Ping |
| Hung Wing Tat (resigned on 25 August 2021) | Wu Yim Chung |
| Lai Kwong Tak, Albert | Yeung Wing On |
| Lai Wing Sze | Yick Wing Fat, Simon |

In accordance with the Articles no. 26 & 27 of Association, Chan Chi Yuen; Lai Kwong Tak, Albert; Lam Kin Lai; Ma Koon Yiu; So Kwok Yin and Yick Wing Fat, Simon 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.

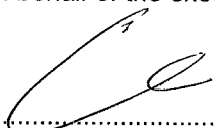
Executive committee members' interests in contracts

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, 31 August 2022

**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 2021, 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 ("HKSA") 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

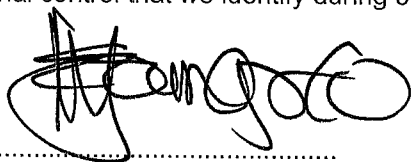
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 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, 31 August 2022

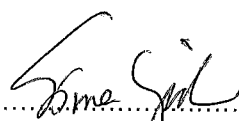
THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
STATEMENT OF FINANCIAL POSITION at 31 December 2021

| | Note | <u>2021</u> | <u>2020</u> |
|--|------|-------------|-------------|
| | | \$ | \$ |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 82,837 | 1,059 |
| Current assets | | | |
| Account receivables | 8 | 441,208 | 445,550 |
| Cash and bank balances | | 6,512,581 | 4,723,185 |
| | | 6,953,789 | 5,168,735 |
| Current liabilities | | | |
| Account payables | 9 | 3,609,516 | 1,413,604 |
| Net current assets | | 3,344,273 | 3,755,131 |
| Total assets less current liabilities | | 3,427,110 | 3,756,190 |
| Non-current liabilities | | | |
| Amount due to a related Association | | - | 400,000 |
| | | - | 400,000 |
| Net assets | | 3,427,110 | 3,356,190 |
| GENERAL FUND | | | |
| Accumulated surplus | | 3,427,110 | 3,356,190 |

Approved on behalf of the Executive Committee by:



.....
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 2021

| | Note | <u>2021</u> \$ | <u>2020</u> \$ |
|---------------------------------------|------|----------------------|----------------------|
| Revenue | 3 | 7,640,364 | 5,008,793 |
| Expenditure | | | |
| Operating and administrative expenses | | (1,042,015) | (1,323,114) |
| Projects expenditure | | (6,527,429) | (3,605,436) |
| Surplus before tax | 4 | <u>70,920</u> | <u>80,243</u> |
| Income tax expense | 6 | - | - |
| Surplus for the year | | <u><u>70,920</u></u> | <u><u>80,243</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>2021</u> | <u>2020</u> |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| Donations | 57,896 | 105,570 |
| Grant from the Hong Kong Jockey Club | 3,066,992 | 2,359,286 |
| Grant from the ICHO | 1,255,053 | 774,150 |
| Grant from the HAB | 1,057,094 | - |
| Activities income | 981,763 | 137,905 |
| Education activities | 390,000 | 819,480 |
| Employment Support Scheme | 186,000 | 282,000 |
| Lecture & supervision | 40,500 | 24,192 |
| Small projects | 547,178 | 458,783 |
| Sundry income | 57,819 | 47,368 |
| Bank interest income | 69 | 59 |
| | <u>7,640,364</u> | <u>5,008,793</u> |

4. Surplus before tax

Surplus before tax is stated after charging:-

| | | |
|----------------------------|----------------|----------------|
| Staff cost | | |
| - Salaries | 606,292 | 887,836 |
| - Mandatory provident fund | 26,229 | 42,509 |
| Depreciation | 4,272 | 1,552 |
| | <u>636,793</u> | <u>931,906</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

| | <u>Leasehold improvements</u> | <u>Furniture and fittings</u> | <u>Office equipment</u> | <u>Total</u> |
|----------------------------|-----------------------------------|-----------------------------------|-----------------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Cost - | | | | |
| At 31.12.2020 | 1,269,098 | 156,899 | 900,793 | 2,326,790 |
| Additions/(disposals) | - | - | 86,050 | 86,050 |
| At 31.12.2021 | <u>1,269,098</u> | <u>156,899</u> | <u>986,843</u> | <u>2,412,840</u> |
| Accumulated depreciation - | | | | |
| At 31.12.2020 | 1,269,098 | 156,899 | 899,734 | 2,325,731 |
| Charges for the year | - | - | 4,272 | 4,272 |
| At 31.12.2021 | <u>1,269,098</u> | <u>156,899</u> | <u>904,006</u> | <u>2,330,003</u> |
| Net book value - | | | | |
| At 31.12.2021 | <u>-</u> | <u>-</u> | <u>82,837</u> | <u>82,837</u> |
| At 31.12.2020 | <u>-</u> | <u>-</u> | <u>1,059</u> | <u>1,059</u> |

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

8. Account receivables

| | <u>2021</u> | <u>2020</u> |
|------------------------|----------------|----------------|
| | \$ | \$ |
| Deposit and prepayment | 17,050 | 17,050 |
| Grant receivables | 424,158 | 428,500 |
| | <u>441,208</u> | <u>445,550</u> |

9. Account payables

| | | |
|---------------------|------------------|------------------|
| Accruals | 1,370 | 90,537 |
| Received in advance | 3,608,146 | 1,323,067 |
| | <u>3,609,516</u> | <u>1,413,604</u> |

10. Changes in equity

| | |
|-----------------------------|--------------------------------|
| | <u>Accumulated surplus</u> |
| | \$ |
| Balance at 31 December 2020 | 3,356,190 |
| Surplus for the year | 70,920 |
| Balance at 31 December 2021 | <u>3,427,110</u> |

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

11. Approval of financial statements

These financial statements were authorised for issue by the Association's Executive Committee on 31 August 2022.

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2021
(For management information only)

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|-------------|-------------|
| | \$ | \$ |
| Income | | |
| Donations | 57,896 | 105,570 |
| Grant from the Hong Kong Jockey Club | 3,066,992 | 2,359,286 |
| Grant from the ICHO | 1,255,053 | 774,150 |
| Grant from the HAB | 1,057,094 | - |
| Activities income | 981,763 | 137,905 |
| Education activities | 390,000 | 819,480 |
| Employment Support Scheme | 186,000 | 282,000 |
| Lecture & supervision | 40,500 | 24,192 |
| Small projects | 547,178 | 458,783 |
| Sundry income | 57,819 | 47,368 |
| Bank interest income | 69 | 59 |
| | 7,640,364 | 5,008,793 |
| | 7,640,364 | 5,008,793 |
| Less: Expenditure | | |
| Projects expenditure | 6,527,429 | 3,605,436 |
| | 6,527,429 | 3,605,436 |
| Operating and administrative | | |
| Bank charges | 2,773 | 2,532 |
| Building management expenses | - | 1,394 |
| Cleaning expenses | 23,320 | 3,020 |
| Company secretarial fee | 5,500 | 2,355 |
| Depreciation | 4,272 | 1,552 |
| Electricity & water | 3,314 | - |
| Food and beverage | 5,459 | - |
| Insurance | 48,571 | 41,459 |
| Mandatory provident fund | 26,229 | 42,509 |
| Office supplies | 12,456 | 25,762 |
| Printing and stationery | 1,763 | 48,847 |
| Program materials | 145,085 | 249,112 |
| Promotion | 5,950 | 500 |
| Rent and rates | 2,350 | - |
| Rental expense | 4,070 | - |
| Repair and maintenance | 33,180 | 350 |
| Research and development | 4,937 | 6,633 |
| Recruitment | 1,996 | - |
| Sundry expenses | 10,030 | 2,291 |
| Telephone and internet | 908 | - |
| Travelling expenses | 91,920 | 6,962 |
| Wages and salaries | 606,292 | 887,836 |
| Website expense | 1,640 | - |
| | 1,042,015 | 1,323,114 |
| | 1,042,015 | 1,323,114 |
| | 7,569,444 | 4,928,550 |
| | 7,569,444 | 4,928,550 |
| Surplus for the year | 70,920 | 80,243 |

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 December 2021 and 2020 does not constitute the Association's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Association has delivered the specified financial statements for the year ended 31 December 2020 to the Registrar of Companies and will deliver the specified financial statements for the year ended 31 December 2021 in due course.

Auditor's reports have been prepared on the specified financial statements for both years.

The auditor's reports for both years:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the reports; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.