

Acknowledgement
Companies Registry
H.K.

08/11/2023 11:40:49
Submission No/Seq No: 225629318/2
CR No: 0783541
Sh. Form. AC

SUNRISE MINISTRY LIMITED

新曙光事工有限公司

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



進鏗會計師行
CH CPA & Co.

Certified Public Accountants

SUNRISE MINISTRY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

	<u>Page(s)</u>
Directors' Report	1 - 2
Independent Auditor's Report	3 - 5
Statement of Income and Expenditure	6
Statement of Financial Position	7
Statement of Changes in Fund	8
Notes to the Financial Statements	9 - 14

(EXPRESSED IN HONG KONG DOLLARS)

SUNRISE MINISTRY LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present herewith their report and the audited financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

Sunrise Ministry Limited ("the Association") is a non-profit making organization and the principal activities of the Association are provision of religious training and activities to promote the Christian faith in Hong Kong.

BUSINESS REVIEW

The Association falls within the reporting exemption for the year and is exempted from preparing a business review under Section 388(3)(a) of the Hong Kong Companies Ordinance.

RESULTS AND APPROPRIATIONS

The results of the Association for the year ended 31 December 2022 and the state of its affairs at that date are set out in the financial statement on pages 6 to 14.

FIXED ASSETS

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

DIRECTORS

The names of persons who were the directors of the Association during the year and up to the date of this report were:

SHEK Kin Wah	石建華
CHAN Wai Man	陳偉民
KWOK Chi Hung	郭志雄
CHOW Yin Ling Carmen	周燕玲

In accordance with the Association's Articles of Association, all directors retire, and being eligible, offer themselves for re-election.

MANAGEMENT CONTRACTS

During the financial year, the Association entered into an administration agreement with Sunrise Christian Community (Hong Kong), an affiliated charitable organisation under section 88 of the Inland Revenue Ordinance. The Association shares certain facilities and administration work with this affiliated organisation, and the share basis was mutually agreed with the parties.

Except the administration agreement, no other contracts of significance concerning the management and administration of the whole or any substantial part of the activities of the Association were entered into or subsisted during the year.

SUNRISE MINISTRY LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

AUDITOR

A resolution to reappoint Messrs. CH CPA & Co., Certified Public Accountants as auditor of the Association will be put at the forthcoming annual general meeting.

For and on behalf of the Board



SHEK Kin Wah
Chairman

Hong Kong, 28 September 2023



進鏗會計師行
CH CPA & Co.
Certified Public Accountants

***INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUNRISE MINISTRY LIMITED
(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE)***

Opinion

We have audited the financial statements of Sunrise Ministry Limited (the "Association") set out on pages 6 to 14, which comprise the statement of financial position as at 31 December 2022, the statement of income and expenditure and the statement of changes in 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 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 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 Association 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.

Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the preparation of financial statements on the going concern basis. In view of the surplus of HK\$268,948 during the year ended 31 December 2022 and, as of that date, the significant accumulated deficit of HK\$592.875 and net liabilities of HK\$592,875, the continuance in activities as a going concern is dependent upon the availability of financial support from the committee members and the undertaking of the Association's directors not to demand repayment of debts from the Association until such time when repayment will not affect the Association's ability to repay other creditors in the normal course of activities.

The financial statements do not include any adjustments that would result from a failure to obtain such financial support and undertakings. Details of the circumstances relating to this uncertainty are described in note 3(a) to the financial statements. We consider that appropriate estimates and disclosures have been made and our opinion is not qualified in this respect.

(to be cont'd)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUNRISE MINISTRY LIMITED
(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE)
(CONTINUED)**

Other Information

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.

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

The directors are responsible for the preparation of the financial statements in accordance with SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 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 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.

(to be cont'd)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUNRISE MINISTRY LIMITED
(INCORPORATED IN HONG KONG AS A COMPANY LIMITED BY GUARANTEE)
(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 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.



CH CPA & Co.
Certified Public Accountants
Hong Kong, 28 September 2023

SUNRISE MINISTRY LIMITED
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2022

	HK\$	HK\$
Income		
Course fee income	136,635	266,541
General offerings	256,993	476,942
Miscellaneous income	97,144	21,779
Offerings from facilities booking	24,050	12,958
Offerings from ministry activities	1,560,744	1,256,293
Offerings from special meetings	1,920,594	1,316,765
Rent sharing income	-	24,000
Sales of books, CDs and T-shirts	400	1,843
	<u>3,996,560</u>	<u>3,377,121</u>
Expenditure		
Advertising expenses	800	2,760
Auditor's remuneration	10,500	10,000
Bank charges	15,469	7,256
Cleaning expenses	11,353	2,102
Computer expense	19,835	27,853
Depreciation	270,561	270,561
Donations to church and organisation	189,804	211,206
Donations to voluntary pastor and missionary	25,800	56,980
Furniture supplies and rental	38	4,134
Gifts and souvenirs	3,378	310
Insurance	9,991	14,174
Miscellaneous	12,855	8,750
MPF contribution	3,167	5,813
Office supplies	3,659	5,108
Printing and stationery	9,502	39,553
Reimbursement expenses	89	-
Rent, rates and building management fee	1,253,859	1,452,449
Repairs and maintenance	6,788	12,210
Salaries and allowances	63,730	116,986
Speakers' fee	9,610	34,729
Special meeting expenses	1,600,955	1,162,392
Telecommunication	16,277	14,095
Utilities expenses	34,307	60,937
Vision fund expenses	155,285	-
	<u>(3,727,612)</u>	<u>(3,520,358)</u>
Surplus/(deficit) for the year	4	<u>268,948</u> <u>(143,237)</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

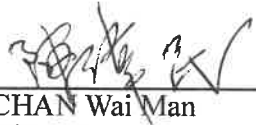
SUNRISE MINISTRY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<u>NOTES</u>	<u>2022</u> HK\$	<u>2021</u> HK\$
NON-CURRENT ASSETS			
Plant and equipment	7	45,095	315,656
		<u>45,095</u>	<u>315,656</u>
CURRENT ASSETS			
Other receivables		3,950	4,550
Amounts due from related companies	8	19,754	32,500
Rental and other deposits		165,400	268,000
Cash and cash equivalents		385,234	161,749
		<u>574,338</u>	<u>466,799</u>
CURRENT LIABILITIES			
Amounts due to affiliated organisations	9	1,152,244	1,084,236
Amount due to a director	10	-	142,060
Accruals and other payables		60,064	417,982
		<u>1,212,308</u>	<u>1,644,278</u>
NET CURRENT LIABILITIES		<u>(637,970)</u>	<u>(1,177,479)</u>
NET LIABILITIES		<u>(592,875)</u>	<u>(861,823)</u>
REPRESENTED BY:			
Accumulated deficit		<u>(592,875)</u>	<u>(861,823)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 September 2023 and are signed on its behalf by :



 SHEK Kin Wah
 Director



 CHAN Wai Man
 Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

SUNRISE MINISTRY LIMITED
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31 DECEMBER 2022

	Accumulated <u>deficit</u> HK\$
Balances at 31 December 2020 and 1 January 2021	(718,586)
Deficit for the year	(143,237)
Balances at 31 December 2021 and 1 January 2022	<u>(861,823)</u>
Surplus for the year	268,948
Balances at 31 December 2022	<u><u>(592,875)</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

SUNRISE MINISTRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. **REPORTING ENTITY**

Sunrise Ministry Limited (“the Association”) was incorporated in Hong Kong as a company limited by guarantee without a share capital under the Hong Kong Companies Ordinance.

The Association’s registered office is located at 16th Floor, Hub 8, 239 Temple Street, Jordan, Kowloon, Hong Kong.

Every member of the Association undertakes to contribute to the assets of the Association if required in the event of its being wound up such amounts not exceeding HK\$10.

2. **PRINCIPAL ACTIVITIES**

The Association is a non-profit making organization and the principal activities of the Association are provision of religious training and activities to promote the Christian faith in Hong Kong.

3. **BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES**

- (a) The Association qualifies for the reporting exemption as a small guarantee 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 Association is a going concern.

Although the Association has a deficiency of current assets and significant accumulated deficit, the directors have undertaken not to demand repayment of debts from the Association until such time when repayment will not affect the Association's ability to repay other creditors in the normal course of activities and the committee members have also undertaken to render adequate financial support to the Association enabling the Association to continue as a going concern.

The measurement base adopted is the historical cost convention.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(b) **Revenue**

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably. Revenue is measured on the following basis:

- (i) Sale of books, CDs or T-shirts is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer.
- (ii) Rental income is recognised on a time proportion basis over the lease terms.
- (iii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.
- (iv) Service fee income of course and training is recognised when the services are provided.
- (v) Offerings from donor is recognised on a receipt basis.

SUNRISE MINISTRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. **BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

(c) **Related parties**

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(d) **Foreign exchange**

Foreign currency transactions and foreign currency non-monetary items are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the balance sheet date. Gains and losses on foreign exchange are recognised in the statement of income and expenditure.

(e) **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 property, plant and equipment 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 statement of income and expenditure. A previously recognised impairment 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.

(f) **Trade and other receivables**

Trade and other 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 statement of income and expenditure.

(g) **Leases**

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the statement of income and expenditure on a straight-line basis over the lease term.

(h) **Provisions and contingent liabilities**

Provisions are recognised for other liabilities of uncertain timing or amount when the 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 nonoccurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

SUNRISE MINISTRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. **BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

(i) **Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Decoration and fitting	25%
Furniture and equipment	25%

4. **SURPLUS/ (DEFICIT) FOR THE YEAR**

	<u>2022</u> HK\$	<u>2021</u> HK\$
Surplus/ (deficit) for the year is arrived at after charging the following items:		
Key management personnel's remuneration	-	-
Other staff costs	66,897	122,799
Including: Contributions to the MPF Scheme	3,167	5,813
Auditor's remuneration	10,500	10,000
Depreciation	270,561	270,561
Operating leases - Land and buildings	<u>1,253,859</u>	<u>1,452,449</u>
And after crediting the following items:		
Offerings from facilities booking	24,050	12,958
Rental sharing income	<u>-</u>	<u>24,000</u>

5. **TAXATION**

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

6. **DIRECTORS' EMOLUMENTS**

The directors received no remuneration for their services to the Association during the year (2021: Nil).

SUNRISE MINISTRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. *PLANT AND EQUIPMENT*

	<u>Decoration and fitting</u> HK\$	<u>Furniture and equipment</u> HK\$	<u>Total</u> HK\$
<u>Cost</u>			
As at 1 January 2022 and at 31 December 2022	<u>900,291</u>	<u>181,955</u>	<u>1,082,246</u>
<u>Accumulated depreciation</u>			
As at 1 January 2022	637,705	128,885	766,590
Charge for the year	<u>225,072</u>	<u>45,489</u>	<u>270,561</u>
As at 31 December 2022	<u>862,777</u>	<u>174,374</u>	<u>1,037,151</u>
<u>Net book value</u>			
As at 31 December 2022	<u>37,514</u>	<u>7,581</u>	<u>45,095</u>
As at 31 December 2021	<u>262,586</u>	<u>53,070</u>	<u>315,656</u>

8. *AMOUNTS DUE FROM RELATED COMPANIES*

Disclosure of details regarding amounts due from related companies pursuant to section 383(1)(d) of the Companies Ordinance are as follows:

<u>Name of company</u>	<u>2022</u> HK\$	<u>2021</u> HK\$	<u>Maximum amount outstanding during the year</u> HK\$
Sunrise Community International Limited	17,754	14,500	17,754
The Altar Shop Limited	<u>2,000</u>	<u>18,000</u>	18,000
	<u>19,754</u>	<u>32,500</u>	

The amount due from Sunrise Community International Limited is unsecured, interest free and repayable on demand while the amount due from The Altar Shop Limited is unsecured, interest free and repayable according to the predetermined terms.

SUNRISE MINISTRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. *AMOUNTS DUE TO AFFILIATED ORGANISATIONS*

	<u>2022</u> HK\$	<u>2021</u> HK\$
Sunrise Christian Community (Hong Kong)	846,828	778,820
Sunrise Christian Community	305,416	305,416
	<u>1,152,244</u>	<u>1,084,236</u>

Sunrise Christian Community (Hong Kong) is a Christian organisation in Hong Kong and a charitable organisation under section 88 of the Inland Revenue Ordinance. Rev. SHEK Kin Wah, the director of the Association, is also a senior pastor of this affiliated organisation.

Sunrise Christian Community is a Christian organisation in the United States of America. Rev. SHEK Kin Wah, the director of the Association, is also a committee member of this affiliated organisation.

The amounts due are unsecured, interest free and repayable on demand.

10. *AMOUNT DUE TO A DIRECTOR*

The amount due is unsecured, interest free and repayable on demand.

11. *COMMITMENTS UNDER OPERATING LEASES*

The Association had the following total future minimum lease payments payable under non-cancellable operating leases:

	<u>2022</u> HK\$	<u>2021</u> HK\$
Not later than one year	153,400	1,082,400
Later than one year	-	153,400
	<u>153,400</u>	<u>1,235,800</u>

12. *OPERATING LEASES RENTAL RECEIVABLES*

The Association had the following total future minimum lease payments receivable under non-cancellable operating leases:

	<u>2022</u> HK\$	<u>2021</u> HK\$
Not later than one year	12,000	24,000
Later than one year	-	12,000
	<u>12,000</u>	<u>36,000</u>

SUNRISE MINISTRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Association had the following transactions with related parties:

	<u>2022</u> HK\$	<u>2021</u> HK\$
Rental sharing income from a related company	24,000	24,000
Donations to an affiliated organisation	<u>(189,804)</u>	<u>(211,206)</u>

Rev. SHEK Kin Wah, a director of the Association, is also a senior pastor and director of the affiliated organisation and the related company respectively.