

**SUNRISE MINISTRY LIMITED**

**新曙光事工有限公司**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



**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 2018**

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(EXPRESSED IN HONG KONG DOLLARS)

**SUNRISE MINISTRY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present herewith their report and the audited financial statements for the year ended 31 December 2018.

**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 2018 and the state of its affairs at that date are set out in the financial statement on pages 6 to 12.

**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	
TAM Tze Ho Jimmy	譚子豪	Resigned on 19 October 2018
CHEUNG Kam Cheung	張錦祥	Resigned on 27 February 2018
WONG Kong Chuen	黃港全	Resigned on 3 April 2019
CHAN Wai Man	陳偉民	
KWOK Chi Hung	郭志雄	
HO Chi Ming	何志明	

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 (H.K.), an affiliated charitable organisation under section 88 of the Inland Revenue Ordinance. The Association shares the costs of 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 2018**

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*PERMITTED INDEMNITY PROVISIONS*

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Association.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Association.

*AUDITOR*

During the year, Au & Partners, Certified Public Accountants resigned as auditor of the Association and Messrs. CH CPA & Co., Certified Public Accountants was appointed by the directors to fill the casual vacancy so arising. 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



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SHEK Kin Wah  
Chairman  
Hong Kong, 23 August 2019



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 12, which comprise the statement of financial position as at 31 December 2018, the statement of income and expenditure and the statement of changes in equity 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 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 significant accumulated deficit of HK\$851,683 and net liabilities of HK\$851,683 as at 31 December 2018 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 HKSAAs 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 HKSAAs, 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, 23 August 2019

**SUNRISE MINISTRY LIMITED**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>NOTES</u>	<u>2018</u> HK\$	<u>2017</u> HK\$
<b>Income</b>			
Course fee income		581,169	162,346
General offerings		908,196	672,901
Miscellaneous income		62,178	41,235
Offerings from facilities booking		312,723	-
Offerings from ministry activities		521,039	-
Offerings from special meetings		1,106,523	1,023,559
Rent sharing income		563,150	-
Sales of books, CDs and T-shirts		16,532	31,221
Sponsorship income		1,052,950	-
		<u>5,124,460</u>	<u>1,931,262</u>
<b>Expenditure</b>			
Advertising expenses		8,394	-
Administrative expenses		556,573	-
Auditor's remuneration		9,500	-
Bank charges		3,555	-
Cleaning expenses		6,155	-
Computer expense		28,762	-
Donations to church and organisation		332,687	-
Donations to voluntary pastor and missionary		59,396	-
Furniture supplies and rental		38,691	-
Gifts and souvenirs		6,358	-
Insurance		27,626	-
Miscellaneous		32,685	40,411
MPF contribution		3,600	-
Net foreign exchange loss		640	-
Office Supplies		14,655	-
Overseas travelling		15,238	-
Printing and stationery		59,172	-
Rent, rates and building management		1,886,800	856,800
Repair and maintenance		73,864	-
Salaries and allowances		81,792	221,687
Speakers' fee		49,235	36,600
Special meeting expenses		1,159,844	743,474
Telecommunication		9,871	-
Utilities expenses		45,364	-
Worship courses expenses		41,289	-
Votunteers' allowances		20,369	-
		<u>(4,572,115)</u>	<u>(1,898,972)</u>
Surplus for the year	4	<u>552,345</u>	<u>32,290</u>

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



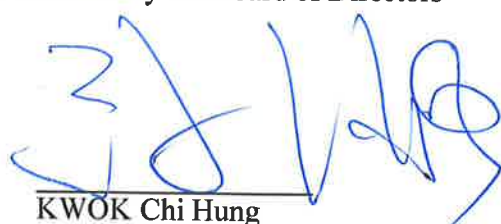
**SUNRISE MINISTRY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

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	<u>NOTES</u>	<u>2018</u> HK\$	<u>2017</u> HK\$
<b>CURRENT ASSETS</b>			
Rental and other deposit		268,400	-
Other receivables		2,670	-
Cash and cash equivalents		204,321	4,699
		<u>475,391</u>	<u>4,699</u>
<b>CURRENT LIABILITIES</b>			
Amount due to affiliated organisations	7	1,020,599	1,408,727
Amount due to a director	8	40,000	-
Receipt in advance		49,165	-
Accruals and other payable		217,310	-
		<u>1,327,074</u>	<u>1,408,727</u>
<b>NET LIABILITIES</b>		<u>(851,683)</u>	<u>(1,404,028)</u>
<b>REPRESENTED BY:</b>			
Accumulated deficit		<u>(851,683)</u>	<u>(1,404,028)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 23 August 2019 and are signed on its behalf by :

  
 \_\_\_\_\_  
 SHEK Kin Wah  
 Director

  
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 KWOK Chi Hung  
 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 EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Accumulated <u>deficit</u> HK\$
Balances at 31 December 2016 and 1 January 2017	(1,436,318)
Surplus for the year	32,290
Balances at 31 December 2017 and 1 January 2018	<u>(1,404,028)</u>
Surplus for the year	552,345
Balances at 31 December 2018	<u><u>(851,683)</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 2018**

**1. REPORTING ENTITY**

Sunrise Ministry Limited (the "Association") is an association incorporated in Hong Kong with 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 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 2018**

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.

4. *SURPLUS FOR THE YEAR*

	<u>2018</u> HK\$	<u>2017</u> HK\$
Surplus for the year is arrived at after charging the following items:		
Key management personnel's remuneration	-	-
Other staff costs	85,392	221,687
Including: Contributions to the MPF Scheme	3,600	-
Auditor's remuneration	9,500	-
Operating leases - Land and buildings	1,886,800	856,800
Net foreign exchange loss	640	-
	<u>                    </u>	<u>                    </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 (2017: Nil).

7. *AMOUNTS DUE TO AFFILIATED ORGANISATIONS*

	<u>2018</u> HK\$	<u>2017</u> HK\$
Sunrise Christian Community (Hong Kong)	853,960	1,408,727
Sunrise Christian Community	166,639	-
	<u>                    </u>	<u>                    </u>
	<u>1,020,599</u>	<u>1,408,727</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.

8. *AMOUNT DUE TO A DIRECTOR*

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

9. **COMMITMENTS UNDER OPERATING LEASES**

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

	<u>2018</u> HK\$	<u>2017</u> HK\$
Not later than one year	682,000	994,800
Later than one year	<u>175,200</u>	<u>331,600</u>
	<u>857,200</u>	<u>1,326,400</u>

10. **RELATED PARTY TRANSACTIONS**

In addition to the transactions and balances detailed elsewhere in these financial statements, the Association had the following transactions with Sunrise Christian Community (Hong Kong):

	<u>2018</u> HK\$	<u>2017</u> HK\$
Rental sharing income from an affiliated organisation	419,150	-
Rental sharing income from a related company	144,000	-
Rental paid to an affiliated organisation	689,700	-
Administrative fee paid to an affiliated organisation	<u>556,573</u>	<u>-</u>

Rev. Shek Kin Wah, a director of the Association, is also a pastor of this affiliated organisation, and Mr. Ho Chi Ming, a director of the Association, controls both the Association and the related company.