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**THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED**

**大覺福行中心有限公司**

**REPORTS  
AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2020**

潘志強會計師事務所  
Raymond Poon & Co.  
Certified Public Accountants (Practising)

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Hong Kong

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## BUSINESS REVIEW

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The Centre for Spiritual Progress to Great Awakening Limited ("the Association") is an approved charitable organisation. With the mission, "True Love is Borderless, Together We Overcome Hardships", we earnestly commit ourselves in serving the public and cultivating the field of merits together with everyone. Since our establishment in 2009, we have been focusing on spiritual well-being of the hospitalized patients, their care-givers, elderlies as well as the public at large.

### **Hospital Spiritual Care Services**

The Association set up the Buddhist Chaplaincy Unit in 2011 to provide spiritual care services to patients, their care-giver and hospital staff. It is one of the foremost Buddhist organisations in Hong Kong providing spiritual care services in local hospitals and its services are highly recognised by the Hospital Authority.

At 31 March 2020, the Association has 7 Buddhist Chaplains (both full- and part-time) providing all round spiritual care services to 15 public hospitals, and volunteers, namely the Spiritual Envoys, paying regular visits to the in-patients of these hospitals. Since 2009, more than 42,000 number of patients, their care-givers and hospital staff have received aids and support from the Association.

The Association organises training programmes to volunteers who specialise in hospital bed side visits. Continuous training and sharing groups are arranged regularly to ensure the competence and well-being of the volunteers. Advance courses are held to excel their skills and the services they provide. Tutors and trainers are all well-qualified professionals such as Buddhist monastics, doctors, nurses (specialised in hospice and palliative care), medical social workers, counsellor, professors from local and overseas specialised in psychology and counselling etc.

### **Elderly Care Services**

A team of volunteers, namely the "Love Envoy" was trained up to provide services catering the needs of the elderly in the community. Led under the 5W-holistic care service framework, our mission is to enable elderly people to lead a fulfilling and happy life with positive energy.

At 31 March 2020, the Love Envoy Team was serving 9 residential homes and day care centres for the aged, including both privately and government run. Paying regular visits to these homes and centres, serving elderlies from physically fit to ex-mentally ill and with dementia symptoms.

During the year of 2019, 2,140 Love Envoys had participated in the services which was 10.31% more than 2018.

### **Community Care Services**

The Association also cares about the under-privileged. It collaborates with other NGOs to extend its services to poor communities in Hong Kong.

A team called "Clear-Minded Envoy" is consisted of both visually impaired and visually healthy volunteers. They pay regular visits to elderlies who live alone or with aged partner in relatively poor communities in Hong Kong. In doing so, the Clear-Minded Envoys, being led out of their comfort zone and have their self-esteem boosted, are also benefited.

The Association also organises activities for low-income families in various districts on quarterly basis. During the year, four luncheons were arranged, a total of 320 people were served.

## **BUSINESS REVIEW (CONTINUED)**

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### **Community Care Public Talk Series**

The Association started its collaboration with Tung Lin Kok Yuen in 2019 to organise series of public talks in the communities, aims at spreading good and positive messages to the public, lifting people's spirit, and guiding them to find the meaning of life.

Three talks were held during the year, in which two were held in school hall with audience participated. Another one was filmed and broadcasted through social media due to social unrest during the year.

### **Life Education Programmes**

Life is full of vicissitudes. Each of them can be an opportunity for self-transformation and inspiration. A series of Life Education Programmes have been designed to inspire participants to make use of the challenges for self-improvement. Over 7,700 people who had taken part in the programmes since its launch in 2012.

### **Propagation of Buddhist Values**

As a Buddhist organisation, propagation of Buddhism is one of the Association's objectives. To achieve, we organise various kind of activities like Buddhist classes, meditation workshops, rituals, etc.

During the year, the Association had organised over 21 religious ceremonies and 6 meditation workshops. Some of the religious ceremonies were held at the Association or at MacPherson Stadium with public participation. Since the outbreak of Covid-19 in early 2020 and the subsequent social gathering restrictions, the Association has arranged real-time broadcast of scriptural chanting and repentance ceremonies. Altogether, over 26,300 attendance, in person or via internet, in these religious activities.

### **Vegetarian Catering Service**

Vegetarian catering service has been operated by a subsidiary of the Association, namely Ateen Limited, since 2014.

### **Financial Review**

Donations received by the Association during the year amounted to approximately HK\$17.75 million (2019: HK\$18.25 million). And surplus gained on programmes held by the Association during the year amounted to approximately HK\$5.90 million (2019: HK\$8.65 million). Donations by worshippers are voluntary. The Association offers its services and religious ceremonies free of charge and provides most of its activities and trainings at no cost or nominal charges. The costs of operation and maintenance are funded by donation income and surplus on programmes held.

During the year, the Association obtained a grant of HK\$2,764,664 (2019: HK\$305,996) from The D.H. Chen Foundation, this being the first instalment of a 3-year funding plan for the "Hospital Outreach Caring Service and Buddhist Life & Death Education Programme".

Affecting by the outbreak of Covid-19 in early 2020, vegetarian catering service operated by Ateen Limited, incurred an operating loss of HK\$30,032 for the year (2019: Profit of HK\$215,065).

## **BUSINESS REVIEW (CONTINUED)**

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### **Financial Review (Continued)**

Most of the bank deposits and cash of the Association and its subsidiaries (collectively, "the Group") were denominated in Hong Kong dollars. The Group will still rely on donations as a major source of funding for its future operation plans. The Group policy is to monitor its current and expected liquidity levels regularly to ensure that there is sufficient reserve of cash for its daily operation purposes. Meanwhile, the Group monitors the liquidity position on an on-going basis to ensure sufficient liquid funds are available to meet all obligations as they fall due and to make the most efficient use of its financial resources. At 31 March 2020, the current ratio of the Group and the Association was 23.97 times (2019: 16.65 times) and 38.04 times (2019: 21.40 times) respectively.

At 31 March 2020, the Group had external borrowings of approximately HK\$19 million (2019: 6 million) for financing the acquisition of the Group's permanent centre in Kowloon Bay. In which, amount repayable within one year was HK\$875,621 (2019: HK\$300,000).

The Group's financial resources remain strong. At 31 March 2020, the Group's cash net of external borrowings was HK\$10.54 million (2019: HK\$28.93 million).

### **Principal risks and uncertainties**

The principal risks arise from fluctuations in revenue generation and the rising cost of operation and maintenance. The major part of the Group's revenue is derived from donation income, the fluctuations of which pose a challenge in financial forecasting. Recent years have seen an escalation in operating costs. The Group has been paying much attention to keeping its operating expenses at a reasonable and healthy level.

### **Environmental Policies**

The Group has adopted a number of eco-friendly measures including:

- (a) Promotion of "Clean Air Exercise" by energy saving, reducing light pollution and better use of air-conditioning; and
- (b) Promotion of "Green and Low Carbon Living" by reducing waste, protecting the ecological environment and respecting and caring life.

### **Constitutional/Legislative Compliance**

Appropriate policies, protocols, guidelines are in place. Our compliance with relevant laws and regulations is regularly monitored. No report of non-compliance was received during the year.

### **Key Relationship**

Under the leadership of the Buddhist nuns of the Group, most of the employees are motivated to work with passion and enthusiasm. Employees are rather stable and turnover rate is low. During the year, there are a total of 36 staff employed by the Group.

### **Outlook**

2019 marked the 10th anniversary of the Group. The Group is especially thankful to the aids and supports from its volunteers and the public throughout the years. With its heartfelt gratitude, the Group will continue to strive on expanding its spiritual care services to echo the ever growing demand in the communities. It will also continue to promote the good values of Buddhism in the society.

Although the market condition is going to be more difficult going forward together with unprecedented crisis of Covid-19 affecting the entire world, the Group is confident that, with its reputation and the healthy financial position, it will be able to cope with the challenges ahead.

## **EXECUTIVE COMMITTEE MEMBERS' REPORT**

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The executive committee members present their report and the audited consolidated financial statements of The Centre for Spiritual Progress to Great Awakening Limited ("the Association") and its subsidiaries (collectively, "the Group") for the year ended 31 March 2020.

### **Principal activities**

The principal activities of the Association are engaged in Buddhist Vihara management, providing care services in hospitals and elderly homes and promoting the welfare of the members as well as the public. The activities of the subsidiaries are set out in Note 18 to the consolidated financial statements.

### **Results**

The results of the Group for the year then ended are set out in the consolidated statement of comprehensive income on page 9 of the financial statements.

### **Executive committee members**

The names of persons who were the executive committee members of the Association during the year are as follows:

SIK, Hin Shuen	(Permanent executive committee member)
TAN, Sock Hooi	(Permanent executive committee member)
CHEUNG, Mei Lin	(Permanent executive committee member)
SIK, Yan Ho	(Permanent executive committee member)

In accordance with the Association's Articles of Association, all permanent executive committee members are not subject to rotation or retirement and continue in office.

### **Management contracts**

The Association did not enter into any contract, other than the contracts of service with the executive committee members or any person engaged in the full-time employment of the Association, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Association.

### **Arrangements to purchase shares or debentures**

At no time during the year or at the end of the year was the Association, or any of its subsidiaries a party to any arrangements to enable the executive committee members of the Association to acquire benefits by means of the acquisition of shares in, or debentures of, the Association or any other body corporate.

### **Executive committee members' interest in contracts of significance**

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

## EXECUTIVE COMMITTEE MEMBERS' REPORT

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### **Donations**

During the year, the Group made donations for charitable or other purposes to a total amount of HK\$1,529,897 (2019: HK\$922,966).

### **Business review**

Detailed discussion and analysis of the Group's activities as required by Schedule 5 to the Hong Kong Companies Ordinance (Chapter 622) can be found in the business review section set out on pages 1 to 3 and it forms part of this Executive Committee Members' Report.

### **Auditor**

The consolidated financial statements have been audited by Raymond Poon & Co, Certified Public Accountants (Practising) who will retire, and being eligible, offer themselves for reappointment, at the forthcoming annual general meeting of the Association.

On behalf of the Executive Committee



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SIK, Hin Shuen  
*Executive committee member*  
Hong Kong, 19 November 2020

**Independent Auditor's Report**

**To the Members of The Centre for Spiritual Progress to Great Awakening Limited**

*(incorporated in Hong Kong with limited liability by guarantee)*

**Opinion**

We have audited the consolidated financial statements of The Centre for Spiritual Progress to Great Awakening Limited ("the Association") and its subsidiaries (collectively, "the Group") set out on pages 9 to 26, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis of Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 all the information included in the business review set out on pages 1 to 3, the executive committee members' report set out on pages 4 to 5 and detailed income statement set out on pages 27 to 28, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Executive Committee Members for the Consolidated Financial Statements**

The executive committee members are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the HKFRS for Private Entities 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.



**Independent Auditor's Report**

**To the Members of The Centre for Spiritual Progress to Great Awakening Limited (Continued)**

*(incorporated in Hong Kong with limited liability by guarantee)*

**Responsibilities of the Executive Committee Members for the Consolidated Financial Statements (Continued)**

In preparing the consolidated financial statements, the executive committee members are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

**RAYMOND POON & CO.** Certified Public Accountants (Practising)

Room 1401, 14th Floor, Belgian Bank Building, 721-725 Nathan Road, Mong Kok, Kowloon, Hong Kong

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**Independent Auditor's Report**

**To the Members of The Centre for Spiritual Progress to Great Awakening Limited (Continued)**

*(incorporated in Hong Kong with limited liability by guarantee)*

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Raymond Poon & Co.

Certified Public Accountants (Practising)

Hong Kong, 19 November 2020

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Notes	2020 HK\$	2019 HK\$
Revenue	5	19,809,854	20,999,898
Cost of sales		<u>(528,930)</u>	<u>(696,434)</u>
Gross profit		19,280,924	20,303,464
Other revenue and net gain	6	6,558,488	9,608,522
Administrative and other expenses		<u>(15,616,324)</u>	<u>(10,577,598)</u>
Finance costs		<u>(258,958)</u>	<u>-</u>
Surplus before tax	7	9,964,130	19,334,388
Income tax	9	<u>-</u>	<u>-</u>
Surplus for the year		9,964,130	19,334,388
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>9,964,130</u></u>	<u><u>19,334,388</u></u>

The annexed notes on pages 13 to 26 form an integral part of these financial statements.

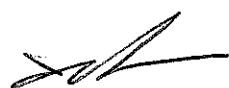
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

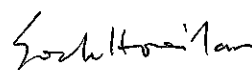
	Notes	2020 HK\$	2019 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	10	<u>33,911,823</u>	<u>3,276,664</u>
<b>Current assets</b>			
Inventories	11	3,574	2,171
Accounts receivable		8,200	5,492
Deposits, prepayments and other receivables	12	16,389,501	20,674,368
Cash and cash equivalents	16	<u>29,740,154</u>	<u>34,929,029</u>
		<u>46,141,429</u>	<u>55,611,060</u>
<b>Current liabilities</b>			
Bank borrowings, secured	13	575,621	-
Other borrowings, unsecured	14	300,000	300,000
Accounts payable		3,814	70,753
Deposits, accruals and other payables		445,982	2,305,279
Amount due to an executive committee member	15	<u>599,706</u>	<u>664,726</u>
		<u>1,925,123</u>	<u>3,340,758</u>
<b>Net current assets</b>		<u>44,216,306</u>	<u>52,270,302</u>
<b>Non-current liabilities</b>			
Bank borrowings, secured	13	9,117,033	-
Other borrowings, unsecured	14	<u>9,200,000</u>	<u>5,700,000</u>
		<u>18,317,033</u>	<u>5,700,000</u>
<b>Net assets</b>		<u>59,811,096</u>	<u>49,846,966</u>
<b>Reserves</b>		<u>59,811,096</u>	<u>49,846,966</u>

The annexed notes on pages 13 to 26 form an integral part of these financial statements.

Approved and authorised for issue by the Association's Executive Committee on 19 November 2020.



SIK, Hin Shuen  
Executive committee member



TAN, Sock Hooi  
Executive committee member

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 March 2020

	Accumulated fund HK\$
Balance at 1 April 2018	30,512,578
Total comprehensive income for the year	<u>19,334,388</u>
Balance at 31 March, 2019	49,846,966
Total comprehensive income for the year	<u>9,964,130</u>
<b>Balance at 31 March 2020</b>	<b><u>59,811,096</u></b>

- (a) Unpaid balance of donations received for supporting the redevelopment project of Po Lam Buddhist Association at the end of the reporting period amounts to HK\$10,500 (2019: HK\$647,908).
- (b) Unused balance of a donation received from The D. H. Chen Foundation for supporting the Association's Department of Buddhist Chaplaincy Caring Services in Hospitals at the end of reporting period amounts to HK\$26,277 (2019: Nil).

## CONSOLIDATED STATEMENT OF CASH FLOWS

At 31 March 2020

	Notes	2020 HK\$	2019 HK\$
<b>Operating activities</b>			
Surplus before tax		9,964,130	19,334,388
Adjustment for:			
Depreciation of property, plant and equipment	10	2,377,799	1,105,021
Exchange loss	7	10,646	32,956
Interest expenses	7	258,958	-
Interest income	6	(145,982)	(15,604)
Loss on property, plant and equipment written off	7	588,660	-
		<u>13,054,211</u>	<u>20,456,761</u>
Changes in working capital:			
(Increase)/Decrease in inventories		(1,403)	544
(Increase)/Decrease in accounts receivable		(2,708)	2,908
Decrease/(Increase) in deposits, prepayments and other receivables		4,284,867	(8,225,813)
(Decrease)/Increase in accounts payable		(66,939)	20,902
Decrease in accruals and other payables		<u>(1,859,297)</u>	<u>(381,305)</u>
<b>Net cash generated from operating activities</b>		<u>15,408,731</u>	<u>11,873,997</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	10	(33,601,618)	(2,166,382)
Interest paid		(258,958)	-
Interest received		145,982	15,604
<b>Net cash used in investing activities</b>		<u>(33,714,594)</u>	<u>(2,150,778)</u>
<b>Financing activities</b>			
New bank borrowings		10,200,000	-
New other borrowings		3,500,000	6,000,000
Repayment of bank borrowings		(507,346)	-
(Decrease)/Increase in amount due to an executive committee member		(65,020)	166,454
<b>Net cash generated from financing activities</b>		<u>13,127,634</u>	<u>6,166,454</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(5,178,229)</u>	<u>15,889,673</u>
Cash and cash equivalents at beginning of the year		34,929,029	19,072,312
Effect of foreign exchange rate changes		(10,646)	(32,956)
<b>Cash and cash equivalents at end of the year</b>	16	<u>29,740,154</u>	<u>34,929,029</u>

The annexed notes on pages 13 to 26 form an integral part of these financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

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### 1. General information

#### Corporate information

The Centre for Spiritual Progress to Great Awakening Limited ("the Association") is a company incorporated in Hong Kong with limited liabilities by guarantee. At the date of issue of these financial statements, the Association's registered address is located at Flats 401-403, 4th Floor, Wing Fat Industrial Building, 12 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong.

The Association is a non-profit making enterprise and has been recognised by the Inland Revenue Department as an approved charitable institution under Section 88 of the Inland Revenue Ordinance.

The principal activities of the Association are engaged in Buddhist Vihara management, providing care services in hospitals and elderly homes and promoting the welfare of the members as well as the public. The Association's subsidiaries act as social enterprises for provision of vegetarian catering and sales of food and groceries.

#### Reporting currency

Unless stated otherwise, all currency figures in these consolidated financial statements are presented in Hong Kong Dollars (HK\$) rounded to the nearest dollar, which is also the functional currency of all the entities of the Group.

### 2. Basis of preparation and significant accounting policies

These consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the accrual basis of accounting and on the basis that the Group is a going concern.

The measurement basis used in preparation of these consolidated financial statements is the historical cost basis.

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

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Association and all its subsidiaries, other than those subsidiaries which are acquired and held for sale within one year after acquisition. Subsidiary are those companies, including unincorporated company such as partnership, controlled by the Association. Control is the power to govern the financial and operating policies of an entity so as obtain benefits from the activities.

A subsidiary is fully consolidated from the date on which control is transferred to the Group and is de-consolidated from the date that control ceases. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

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### 2. Basis of preparation and significant accounting policies

#### **Basis of consolidation (continued)**

The consolidated financial statements present financial information about the Group as a single economic entity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profits and losses resulting from intragroup transactions are eliminated in full unless the losses may indicate an impairment that requires recognition in the consolidated financial statements. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events and conditions in similar circumstances. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. The financial statements of the Association and its subsidiaries used in preparation of the consolidated financial statements are prepared as of the same reporting date (equivalent to the end of reporting period of the Association).

Non-controlling interests in the net assets of the consolidated subsidiaries are presented separately from the Group's equity therein. Non-controlling interests in net assets consist of the amount of those interests at the date of the original business combination and share of changes in equity by the non-controlling parties since the date of business combination. Losses applicable to the non-controlling parties in excess of the non-controlling interests in the subsidiary equity are allocated to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Revenue**

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the Group and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes on the following bases:

Donation income is recognised when the income is received.

Sale of food and beverages in vegetarian canteen operation is recognised at the point in time when the catering services to the customers are completed.

Sale of goods or products is recognised when the goods or products are delivered and the significant risks and rewards of ownership have been passed to the buyer and the Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.

Interest income is recognised using the effective interest method on a time-proportion basis taking into account the principal outstanding and the interest applicable.

Course income from interest classes is recognised when the service is rendered.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

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### 2. Basis of preparation and significant accounting policies (continued)

#### Employee benefits

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

The Company operates a defined contribution plan under mandatory provident fund scheme in Hong Kong. The Company pays contributions to the independent administrator on a mandatory basis. The Company has no further payment obligations once the contributions are paid. The contributions are recognised as employee benefit expenses when they are incurred and the cost can be measured reliably.

#### Operating leases

Leases where substantially all the risks and rewards incidental to ownership of the leased assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to consolidated statement of comprehensive income on straight-line basis over the lease term. Incentives such as rent-free period or subsidy on decoration, if any, are recognised as a reduction of rental expenses over the lease term on straight-line basis.

#### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

#### Income tax

The Association is exempt from Hong Kong profits tax as it has been recognised by the Inland Revenue Department as an approved charitable institution under Section 88 of the Inland Revenue Ordinance.

Income tax comprises current tax and deferred tax of the Association's subsidiaries.

Current tax is measured based on estimated taxable profit for the year.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that is probable that taxable profit will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the accounting profit nor the taxable profit or tax loss.

The unrecognised deferred tax assets are reviewed at the end of each reporting period and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 2. Basis of preparation and significant accounting policies (continued)

#### Income tax (continued)

Current and deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Property, plant and equipment

Property, plant and equipment are measured at initial recognition at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost comprise purchase price, conversion cost and estimated cost of dismantling and restoration. Expenditure such as repairs and maintenance, overhaul costs and borrowing costs are normally charged to consolidated statement of comprehensive income when they are incurred. Where expenditure has resulted in increases in the future economic benefits from the use of the property, plant and equipment, the expenditure is capitalised.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land	Over lease term
Buildings	2% or over lease term if shorter
Leasehold improvement	10%
Furniture and fixtures	20%
Office and catering equipment	20%
Motor vehicle	25%

On disposal or retirement, the cost together with associated accumulated depreciation and impairment losses, if any, of the property, plant and equipment are derecognised and any gain or loss resulting from the disposal or retirement is recognised in the consolidated statement of comprehensive income.

#### Impairment of non-financial assets

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

If an impairment loss subsequently reverses, the carrying amount of an asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

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### 2. Basis of preparation and significant accounting policies (continued)

#### **Inventories**

Inventories are measured at initial recognition at cost and subsequently measured at lower of cost and estimated selling price less costs to complete and sell. Cost is determined on first-in, first-out basis and comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. At the end of each reporting period, inventories are assessed for impairment and the carrying amount is reduced to its selling price less costs to complete and sell with impairment loss recognised immediately in the consolidated statement of comprehensive income. When the inventories are sold, the carrying amount of inventories is recognised as an expense in the period in which the related revenue is recognised.

#### **Account and other receivables**

Account and other receivables are measured at initial recognition at transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any. A provision for impairment of account and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated statement of comprehensive income.

#### **Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months at acquisition.

#### **Account and other payables**

Account and other payables are measured at initial recognition at the transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Borrowings are measured at initial recognition at the transaction price and subsequently measured at amortised cost. All borrowings are classified as current liabilities unless the Group has a pre-defined repayment schedule or an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Interest expense is recognised on the basis of the effective interest method and is recognised in the consolidated statement of comprehensive income.

#### **Foreign currency transactions**

The functional currency of all the entities of the Group is Hong Kong dollars which is also the presentation currency of these consolidated financial statements. Foreign currency transactions are translated into the functional currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at the approximate rates of exchange ruling at that date. Exchange differences arising on settlement or translation of foreign currency monetary items are recognised in the consolidated statement of comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

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### 2. Basis of preparation and significant accounting policies (continued)

#### Separate financial statements

The Group regards the company-level statement of financial position of the Association presented in notes to consolidated financial statements as a separate financial statement. In the separate financial statement, the investment in subsidiaries are measured at cost less impairment. The accounting policies of other assets, liabilities and equity in the company-level statement of financial position are similar to those used by the Group.

### 3. Transition to the HKFRS for Private Entities

The Group's financial statements for the year ended 31 March 2020 are its first annual consolidated financial statements prepared under accounting policies that comply with the HKFRS for Private Entities. The Group applied the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") to prepare its consolidated financial statements prior to the application of the HKFRS for Private Entities.

The Group's date of transition is 1 April 2018 and the Group prepared its opening statement of financial position in compliance with the HKFRS for Private Entities at that date.

The adoption of the HKFRS for Private Entities has no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been made.

### 4. Critical accounting judgements and key sources of estimation uncertainty

#### Discounting factor

For the purpose of measuring the recoverable amount of an asset in use, discounting factor shall be estimated by reference to the generally expected return rate in the market on such kind of assets. In case the market information is not available, discounting factor shall be estimated by reference to the expected annual return from the asset at the time of recognition.

#### Depreciation of property, plant and equipment

The depreciation method and rates of property, plant and equipment are based on the management's best estimate to their expected residual value, useful lives, consumption pattern, wear-and-tear and potential technical obsolescence to usage of the assets. Management uses all readily available information in determining all above factors. Any change in these factors may have a significant impact on the carrying amounts of the property, plant and equipment and consolidated statement of comprehensive income.

#### Impairment of assets

The impairment of assets is based on the management's best estimate to the expected recoverable amounts of the assets that would be determined by reference to fair value less costs to sell and value in use estimated using the discounted cash flow method. Because of inherent risks associated with the estimations, their accuracy may affect the consolidated statement of comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 4. Critical accounting judgements and key sources of estimation uncertainty (continued)

#### Deferred tax

Deferred tax assets in respect of unused tax losses carried forward are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused credits can be utilised. In determining the carrying amount of deferred tax assets, expected future taxable profits are estimated by reference to a number of assumptions relating to the operating environment of each member of the Group and the Group as a whole. It also requires significant level of judgement exercised by the management. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the result in future years.

### 5. Revenue

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

	2020 HK\$	2019 HK\$
Donation income	17,751,385	18,248,413
Sales of food, beverages and goods	<u>2,058,469</u>	<u>2,751,485</u>
	<u><u>19,809,854</u></u>	<u><u>20,999,898</u></u>

Donation income includes a donation of HK\$2,764,664 (2019: HK\$305,996) received from The D. H. Chen Foundation, which is for supporting the Association's Department of Buddhist Chaplaincy Caring Services in Hospitals.

### 6. Other revenue and net gain

	2020 HK\$	2019 HK\$
Bank interest income	145,982	15,604
Course income	212,685	454,019
Sales of products	1,280	8,630
Sundry income	10,000	-
Surplus on programmes held	<u>6,188,541</u>	<u>9,130,269</u>
	<u><u>6,558,488</u></u>	<u><u>9,608,522</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 7. Surplus before tax

This is arrived at after charging:

	2020 HK\$	2019 HK\$
<b>Finance costs</b>		
Interest on bank borrowings	<u>258,958</u>	<u>-</u>
<b>Other items</b>		
Auditor's remuneration	41,200	40,500
Depreciation	2,377,799	1,105,021
Donations	1,529,897	922,966
Loss on property, plant and equipment written off	588,660	-
Net exchange loss	10,646	32,956
Operating lease rental	2,643,520	2,732,800
Staff costs	<u>4,474,066</u>	<u>3,258,351</u>

### 8. Executive committee members' remuneration

Executive committee members' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2020 HK\$	2019 HK\$
Fees	-	-
Other emoluments	<u>-</u>	<u>-</u>

### 9. Income tax

Hong Kong profits tax has not been provided as the Association has been granted an exemption from profits tax under Section 88 of the Inland Revenue Ordinance and the subsidiaries either incurred a tax loss for the year or had sufficient unused tax losses brought forward to offset against the assessable profits for the year.

The Group has not recognised deferred tax assets in respect of the deductible temporary differences arising from depreciation of property, plant and equipment and cumulative tax losses as it is not probable that future taxable profits against which the deductible temporary differences and losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 10. Property, plant and equipment

	Leasehold land and buildings HK\$	Leasehold improvement HK\$	Furniture and fixtures HK\$	Office and catering equipment HK\$	Motor vehicles HK\$	Total HK\$
<b>Cost:</b>						
At 1 April 2019	-	2,358,847	4,375,622	946,570	75,000	7,756,039
Additions	27,683,821	5,219,156	154,717	543,924	-	33,601,618
Written off	-	(1,152,726)	(16,450)	-	-	(1,169,176)
<b>At 31 March 2020</b>	<b>27,683,821</b>	<b>6,425,277</b>	<b>4,513,889</b>	<b>1,490,494</b>	<b>75,000</b>	<b>40,188,481</b>
<b>Accumulated depreciation:</b>						
At 1 April 2019	-	1,173,706	2,343,521	887,148	75,000	4,479,375
Charge	979,958	642,528	615,582	139,731	-	2,377,799
Written back	-	(570,646)	(9,870)	-	-	(580,516)
<b>At 31 March 2020</b>	<b>979,958</b>	<b>1,245,588</b>	<b>2,949,233</b>	<b>1,026,879</b>	<b>75,000</b>	<b>6,276,658</b>
<b>Carrying amount:</b>						
<b>At 31 March 2020</b>	<b>26,703,863</b>	<b>5,179,689</b>	<b>1,564,656</b>	<b>463,615</b>	<b>-</b>	<b>33,911,823</b>
At 31 March 2019	-	1,185,141	2,032,101	59,422	-	3,276,664

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 10. Property, plant and equipment (continued)

At the end of the reporting period, the Group's leasehold land and buildings with carrying amount of HK\$26,703,863 (2019: Nil) were pledged to secure general banking facilities granted to the Group (Note 13).

The leasehold land and buildings acquired during the year have been used as the permanent centre of the Association.

### 11. Inventories

The Group's inventories comprise entirely of stock in trade.

### 12. Deposits, prepayments and other receivables

Including a payment of deposit of HK\$4,550,000 (2019: HK\$4,550,000) for acquisition of two premises by taking up the entire issued shares in the landlord company. The premises would be used as part of the permanent centre of the Association. The target completion date of the transaction is 31 March 2022 or on such date as to be agreed between the Association and the vendor (Note 17(a)).

### 13. Bank borrowings, secured

	2020 HK\$	2019 HK\$
Interest-bearing term loans, secured	9,692,654	-
Less : Repayable within one year as current liabilities	<u>575,621</u>	<u>-</u>
Repayable beyond one year as non-current liabilities	<u><u>9,117,033</u></u>	<u><u>-</u></u>

The bank borrowings are secured by mortgages over the Group's leasehold land and buildings with carrying amount of HK\$26,703,863 (2019: Nil) at the end of the reporting period (Note 10).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 14. Other borrowings, unsecured

	2020 HK\$	2019 HK\$
Interest-free term loans, unsecured	9,500,000	6,000,000
Less : Repayable within one year as current liabilities	<u>300,000</u>	<u>300,000</u>
Repayable beyond one year as non-current liabilities	<u><u>9,200,000</u></u>	<u><u>5,700,000</u></u>

The other borrowings had been used to finance the acquisition of the Group's leasehold land and buildings which has been used as the permanent centre of the Association (Note 10).

The amounts payable based on the maturity terms of the borrowings are analysed as follows:

	2020 HK\$	2019 HK\$
Within one year	300,000	300,000
In the second to fifth years	7,800,000	5,700,000
Beyond five years	<u>1,400,000</u>	<u>-</u>
	<u><u>9,500,000</u></u>	<u><u>6,000,000</u></u>

### 15. Amount due to an executive committee member

The amount due to an executive committee member of the Association is unsecured, interest free and has no fixed repayment terms.

### 16. Cash and cash equivalents

	2020 HK\$	2019 HK\$
<b>Components of cash and cash equivalents:</b>		
Cash and bank balances	9,614,127	34,929,029
Time deposit having maturity of not more than three months when acquired	<u>20,126,027</u>	<u>-</u>
	<u><u>29,740,154</u></u>	<u><u>34,929,029</u></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 17. Commitments

#### (a) Capital commitments

At 31 March 2020, the Group had the following outstanding capital commitments:

	2020 HK\$	2019 HK\$
<b>Acquisition of a wholly-owned subsidiary</b>		
Authorised and contracted for (Note 10)	<u>40,950,000</u>	<u>40,950,000</u>

#### (b) Operating lease commitments

At 31 March 2020, the Group had the following total future minimum lease payments under non-cancellable operating leases:

	2020 HK\$	2019 HK\$
Not later than one year	1,889,920	3,146,400
Later than one year and not later than five years	<u>1,520,920</u>	<u>3,582,000</u>
	<u>3,410,840</u>	<u>6,728,400</u>

### 18. Information of subsidiaries

Particulars of the Association's subsidiaries are as follows:

Name of Subsidiaries	Place of incorporation and principal operation	Issued capital HK\$	Percentage of ownership and voting power	Principal activities
Meritland Veggie Limited	Hong Kong	10,000	100%	Dormant
Ateen Limited	Hong Kong	10,000	100%	Catering
Dateen Vegetarian Food Limited	Hong Kong	1	100%	Sales of food and groceries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

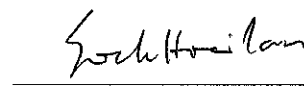
For the year ended 31 March 2020

### 19. Statement of financial position of the Association (company-level)

	Notes	2020 HK\$	2019 HK\$
<b>Non-current assets</b>			
Property, plant and equipment		33,885,191	3,275,764
Investments in subsidiaries		939,437	989,999
		<u>34,824,628</u>	<u>4,265,763</u>
<b>Current assets</b>			
Accounts receivable		8,200	-
Deposits, prepayments and other receivables		16,262,336	20,522,866
Cash and cash equivalents		28,925,443	34,025,570
		<u>45,195,979</u>	<u>54,548,436</u>
<b>Current liabilities</b>			
Bank borrowings, secured		575,621	-
Other loans, unsecured		300,000	300,000
Accounts payable		-	30,000
Deposits, accruals and other payables		122,907	1,964,415
Amount due to an executive committee member		189,706	254,726
		<u>1,188,234</u>	<u>2,549,141</u>
<b>Net current assets</b>		<u>44,007,745</u>	<u>51,999,295</u>
<b>Non-current liabilities</b>			
Bank borrowings, secured		9,117,033	-
Other loans, unsecured		9,200,000	5,700,000
		<u>18,317,033</u>	<u>5,700,000</u>
<b>Net assets</b>		<u>60,515,340</u>	<u>50,565,058</u>
<b>Reserves</b>	20	<u>60,515,340</u>	<u>50,565,058</u>

Approved and authorised for issue by the Association's Executive Committee on 19 November 2020.

  
\_\_\_\_\_  
SIK, Hin Shuen  
Executive committee member

  
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TAN, Sock Hooi  
Executive committee member

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

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### 20. Movement of reserve of the Association

	Accumulated fund HK\$
Balance at 1 April 2018	31,401,445
Surplus for the year	<u>19,163,613</u>
Balance at 31 March 2019	50,565,058
Surplus for the year	<u>9,950,282</u>
<b>Balance at 31 March 2020</b>	<b><u>60,515,340</u></b>

### 21. Approval of consolidated financial statements

These consolidated financial statements were approved and authorised to issue by the Association's Executive Committee on 19 November 2020.

- End -

## DETAILED INCOME STATEMENT

For the year ended 31 March 2020

	<i>Schedules</i>	2020 HK\$	2019 HK\$
<b>Donation income</b>			
The D.H. Chen Foundation		2,764,664	305,996
Others		<u>14,986,721</u>	<u>17,942,417</u>
		17,751,385	18,248,413
<b>Other income</b>			
Bank interest income		144,503	15,104
Course income		212,685	454,019
Sales of products		1,280	8,630
Surplus on programmes held		<u>5,898,918</u>	<u>8,682,644</u>
		24,008,771	27,408,810
<b>Administrative and other expenses</b>	1	(13,799,531)	(8,245,197)
<b>Finance costs</b>	2	<u>(258,958)</u>	<u>-</u>
<b>Surplus for the year</b>		9,950,282	19,163,613
<b>Accumulated fund brought forward</b>		<u>50,565,058</u>	<u>31,401,445</u>
<b>Accumulated fund carried forward</b>		<u><u>60,515,340</u></u>	<u><u>50,565,058</u></u>

## SCHEDULES TO DETAILED INCOME STATEMENT

For the year ended 31 March 2020

	2020 HK\$	2019 HK\$
<b>1. Administrative and other expenses</b>		
Advertising and promotion	47,000	175,636
Auditor's remuneration	26,000	25,000
Bank charges	19,166	15,257
Buddhist chaplaincy caring services	593,768	136,529
Building management fee	302,855	24,891
Cleaning and sanitary	66,312	71,356
Computer expenditure	73,231	5,617
Consultancy fee	287,920	243,540
Course expenses	46,057	104,798
Deficit on charity	436,019	282,311
Depreciation	2,370,241	1,099,600
Donations - cash for charitable purpose	1,529,897	922,966
Donations - gifts for charitable purpose	8,220	2,138
Disc, book and MP3 productions	70,751	326,951
Elderly caring services	47,101	-
Electricity and water	89,269	83,091
Exchange loss, net	10,646	32,956
Insurance	160,854	116,317
Legal fee	-	2,829
Loss on property, plant and equipment written off	588,660	-
Mandatory provident fund contributions	127,363	80,581
Packaging	-	1,140
Postage and courier	7,610	10,871
Printing and stationery	36,689	34,216
Rent, rates and government rent	2,196,276	2,152,123
Repairs and maintenance	103,779	96,434
Salary for staff	3,455,153	1,775,104
Stamp duty	-	3,787
Sundry expenses	62,806	47,889
Telephone, fax and broadband	39,012	33,188
Transportation	51,054	16,663
Travelling - local and overseas	112,101	106,542
Uniform	53,019	47,088
Vehicle running expenses	74,294	108,023
Volunteers' messing	6,408	59,765
Website revamp	700,000	-
	<u>13,799,531</u>	<u>8,245,197</u>
<b>2. Finance costs</b>		
Interest on bank loan	<u>258,958</u>	-