

Report of the Executive Committee Members and Audited Financial Statements

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED
(Incorporated in Hong Kong with limited liability by guarantee and not having a share capital)

31 March 2024

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

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THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

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 (the "Group") for the year ended 31 March 2024.

Principal activities

The principal activities of the Association are engaged in Buddhist Vihara management, providing care services in hospitals, elderly homes and community and promoting the welfare of the members as well as the public. The activities of the subsidiaries are set out in note 17 to the consolidated financial statements.

Business review

During the year, the Group falls within the reporting exemption for the year. Accordingly, the Group is exempted from preparing a business review.

Donations

During the year, the Association made cash donations for charitable or other purposes with a total amount of HK\$628,276.

Results

The Group's surplus for the year ended 31 March 2024 and its financial position at that date are set out in the financial statements on pages 6 to 25.

Executive committee members

The executive committee members of the Association during the year and up to the date of this report were:

SIK, Hin Shuen
TAN, Sock Hooi
CHEUNG, Mei Lin

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; and all executive committee members' term of office shall be 4 years and at the end of every fourth year all executive committee members shall retire from office but shall be eligible for re-election.

Permitted indemnity provision

At no time during the year and up to the date of this report, there was or is, any permitted indemnity provision in force for the benefit of one or more executive committee members of the Association.

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.

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

REPORT OF THE EXECUTIVE COMMITTEE MEMBERS (continued)

Executive committee members' interests

At no time during the year was the Association or any of its subsidiary a party to any arrangement to enable the Association's executive committee members to acquire benefits by means of the acquisition of shares in or debentures of the Association or any other body corporate, nor were any such rights exercised by them.

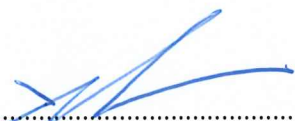
Executive committee members' interests in contracts

No executive committee members had a material interest, either directly or indirectly, in any contract of significance to the business of the Association to which the Association or any of its subsidiary was a party during the year.

Auditors

PW CPA & Co. retire and a resolution for their re-appointment as auditors of the Group will be proposed at the forthcoming general meeting.

ON BEHALF OF THE BOARD



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SIK, Hin Shuen
Executive committee member

Hong Kong
27 November 2024

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 and not having a share capital)

Opinion

We have audited the consolidated financial statements of The Centre for Spiritual Progress to Great Awakening Limited (the "Association") and its subsidiaries (the "Group") set out on pages 6 to 25, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards 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 for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 Group 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.

Information other than the consolidated financial statements and auditor's report thereon

The executive committee members are responsible for the other information. The other information comprises the information included in the report of the executive committee members.

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 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.

Independent auditor's report (continued)

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

(Incorporated in Hong Kong with limited liability by guarantee and not having a share capital)

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 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 are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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.

Independent auditor's report (continued)

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

(Incorporated in Hong Kong with limited liability by guarantee and not having a share capital)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Conclude on the appropriateness of the executive committee member's 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.
- 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.

We communicate with the executive committee 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.



PW CPA & Co.
Certified Public Accountants
Hong Kong
27 November 2024

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024


	Notes	2024 HK\$	2023 HK\$
REVENUE	5	21,889,694	20,162,014
Cost of sales		(189,646)	(82,037)
Gross profit		21,700,048	20,079,977
Other income	6	636,306	691,079
Administrative and other operating expenses		(18,165,577)	(15,673,857)
Finance costs	7	-	(406,611)
SURPLUS BEFORE TAX	8	4,170,777	4,690,588
Income tax expenses	10	(681)	(680)
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,170,096</u>	<u>4,689,908</u>

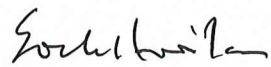
THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

	Notes	2024 HK\$	2023 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	11	58,688,125	63,283,757
Intangible assets	12	<u>1,255,705</u>	<u>2,511,410</u>
Total non-current assets		<u>59,943,830</u>	<u>65,795,167</u>
CURRENT ASSETS			
Account receivables		733,746	77,102
Prepayments, deposits and other receivables		4,928,719	9,147,393
Cash and bank balances		<u>21,956,212</u>	<u>10,400,787</u>
Total current assets		<u>27,618,677</u>	<u>19,625,282</u>
CURRENT LIABILITIES			
Borrowings	13	1,100,000	1,200,000
Accounts payable		11,183	10,121
Other payables and accruals		734,120	165,195
Due to an executive committee member	14	10,000	408,706
Deferred tax liabilities	15	<u>4,081</u>	<u>3,400</u>
Total current liabilities		<u>1,859,384</u>	<u>1,787,422</u>
NET CURRENT ASSETS		<u>25,759,293</u>	<u>17,837,860</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>85,703,123</u>	<u>83,633,027</u>
NON-CURRENT LIABILITY			
Borrowings	13	<u>6,000,000</u>	<u>8,100,000</u>
Net assets		<u>79,703,123</u>	<u>75,533,027</u>
FUND			
Accumulated surplus		<u>79,703,123</u>	<u>75,533,027</u>


 SIK, Hin Shuen
 Executive committee member


 TAN, Sock Hooi
 Executive committee member

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

	Accumulated surplus HK\$
At 1 April 2022	70,843,119
Surplus and total comprehensive income for the year	<u>4,689,908</u>
At 31 March 2023 and 1 April 2023	75,533,027
Surplus and total comprehensive income for the year	<u>4,170,096</u>
At 31 March 2024	<u><u>79,703,123</u></u>

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2024

	Notes	2024 HK\$	2023 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before tax		4,170,777	4,690,588
Adjustments for:			
Amortisation of goodwill	8	1,255,705	1,255,705
Depreciation of items of property, plant and equipment	8	3,589,208	3,646,965
Impairment loss on property, plant and equipment	8	2,884,031	-
Interest expenses	7	-	406,611
Interest income	6	(295,010)	(74,645)
		11,604,711	9,925,224
Increase in accounts receivable		(656,644)	(66,522)
Decrease in prepayments, deposits and other receivables		4,218,674	1,973,935
Increase/(decrease) in accounts payable		1,062	(44,913)
Decrease in amount due to an executive committee member		(398,706)	(22,000)
Increase/(decrease) in other payables and accruals		568,925	(172,947)
		15,338,022	11,592,777
Cash generated from operations		-	(82,688)
Hong Kong profits tax paid		-	(406,611)
Interest paid		-	-
		15,338,022	11,103,478
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment	11	(1,877,607)	(23,000)
Interest received	6	295,010	74,645
		(1,582,597)	51,645
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings and			
net cash flows used in financing activities		(2,200,000)	(14,246,639)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		11,555,425	(3,091,516)
Cash and bank balances at beginning of the year		10,400,787	13,492,303
CASH AND CASH EQUIVALENTS AT THE END OF YEAR			
		21,956,212	10,400,787

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

1. 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. Its registered office was 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 had 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, elderly homes and community and promoting the welfare of the members as well as the public. Details of the activities of the Association's subsidiaries are set out in note 17 to the consolidated financial statements.

Unless stated otherwise, all currency figures in these consolidated financial statements are presented in Hong Kong Dollars ("HK\$") rounded to the nearest one dollar.

2. BASIS OF PREPARATION

These consolidated financial statements comply with all applicable sections of HKFRS for Private Entities and have been prepared under the accrual basis of accounting and on the basis that the Group is a going concern.

The measurement bases used in preparing these consolidated financial statements is the historical cost basis.

3. CRITICAL ACCOUNTING JUDGMENTS 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 and amortisation of intangible assets

The depreciation/amortisation method and rates of the property, plant and equipment and of intangible assets 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 intangible assets and the consolidated statement of comprehensive income.

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of assets

The impairment of assets is based on the executive committee members' 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements present financial information of the Group. The followings are the specific 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 of its subsidiaries, other than those subsidiaries which are acquired and held for sell within one year after acquisition. Subsidiaries 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 to 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 statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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 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 of its subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same reporting date (equivalent to the end of reporting period of the Association).

31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Non-controlling interests in the net assets of 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 the share of changes in equity by the non-controlling parties since the date of the 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.

Business combination

The acquisition of subsidiaries is accounted for using the purchase method. The cost of business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The estimated amount for contingent cost of business combination that is probable and can be measured reliably will be adjusted in cost of business combination. Additional consideration that becomes probable subsequently will be treated as an adjustment to the cost of business combination when the amount can be measured reliably. The acquiree's identifiable assets and liabilities and a provision of contingent liabilities that meet the conditions for recognition under HKFRS for Private Entities are recognised at their fair values at the acquisition date. The accounting policy in respect of goodwill arising on business combination is set out under "Intangible assets" on page 15.

If the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities and provisions for contingent liabilities recognised in accordance with HKFRS for Private Entities exceeds the cost of the business combination, the Group shall reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities and provisions for contingent liabilities still exceeds the cost of the business combination, the excess, being the negative goodwill, is recognised immediately in the consolidated statement of comprehensive income.

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 goods are recognised when the goods 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.

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue (continued)

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

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 deferred and the effect would be material, these amounts are measured at their present values.

The Group operates a number of defined contribution plans under mandatory provident fund plans. The Group pays contributions to the independent administrators on a mandatory basis. The Group has no further payment obligations once the contributions are paid. The contributions are recognised as employee benefit expense when they are incurred and the cost can be measured reliably.

Leases

Leases that transfer substantially all the risks and rewards incidental to ownership of leased assets to the lessee are classified as finance leases; all other leases are classified as operating leases. Annual rents applicable to such operating leases are charged to the 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 Department.

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.

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of an asset or liability in a transaction that affects neither accounting profit nor taxable profit or tax loss. The measurement of deferred tax liabilities associated with an investment property measured at fair value and property, plant and equipment measured at revalued amount shall not exceed the amount of tax that would be payable on its sales to an unrelated market participant at fair value at the end of reporting period. 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 are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset and liability 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 profit will allow the deferred tax assets to be recovered.

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 at the reporting date.

Property, plant and equipment and depreciation

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

Cost comprises 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 the 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 a 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 equipment	20%
Motor vehicle	20%

31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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 is recognised in the consolidated statement of comprehensive income.

Intangible assets

Intangible assets are measured at initial recognition at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Goodwill arising on acquisition of a subsidiary is initially recognised as an asset and measured at cost, being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is provided on a systematic basis using the straight-line method over 5 years. On subsequent disposal of a subsidiary, the carrying amount of the goodwill is included in the determination of the amount of gain or loss on disposal.

Foreign currency transactions

The functional currency of the Group is HK\$ 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. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rates at that date when the fair value was determined. Exchange differences arising on the settlement or translation of foreign currency monetary items are recognised in the consolidated statement of comprehensive income. However, exchange differences relating to a gain or loss on a non-monetary item that is recognised in other comprehensive income is recognised in other comprehensive income too.

Impairment of non-current assets other than financial assets

At the end of each reporting period, non-current assets other than financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is any 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 the estimated recoverable amount is less than the carrying amount, 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 the asset (or group of related assets) other than goodwill 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/amortisation) had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of comprehensive income. Impairment loss for goodwill is irreversible in subsequent period.

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts and other receivables

Accounts and other receivables are measured at initial recognition at transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any. A provision for impairment of accounts 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 bank balances 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.

Accounts and other payables

Accounts 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 predefined 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.

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.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

5. REVENUE

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

	2024 HK\$	2023 HK\$
Donation income#	12,510,649	15,578,933
Net surplus on programmes held*	9,357,580	4,583,081
Sales of goods	21,465	-
	<u>21,889,694</u>	<u>20,162,014</u>

Donation income includes a donation of HK\$2,398,289 (2023: HK\$3,531,160) received from The D.H. Chen Foundation, which is for supporting the Association's Department of Buddhist Chaplaincy Caring Services in Hospitals.

* Net surplus on programmes held during the year is analysed as follows:

	2024 HK\$	2023 HK\$
Donation income for programmes held	19,068,118	6,700,512
Less: Programmes expenditure	(9,710,538)	(2,117,431)
	<u>9,357,580</u>	<u>4,583,081</u>

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

6. OTHER INCOME

	2024 HK\$	2023 HK\$
Bank interest income	295,010	74,645
Course income	341,296	241,234
Subsidy income – Employment Support Scheme#	<u>-</u>	<u>375,200</u>
	<u>636,306</u>	<u>691,079</u>

In 2023, the Association successfully applied for funding support from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Government. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the subsidy, the Association was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

7. FINANCE COSTS

	2024 HK\$	2023 HK\$
Interest on bank and other loans	<u>-</u>	<u>406,611</u>

8. SURPLUS BEFORE TAX

This is arrived at after charging:

	2024 HK\$	2023 HK\$
Amortisation of intangible assets	1,255,705	1,255,705
Auditor's remuneration	57,000	54,000
Depreciation of items of property, plant and equipment	3,589,208	3,646,965
Donations	628,276	1,434,548
Foreign exchange difference, net	9,630	11,615
Impairment loss on property, plant and equipment	2,884,031	-
Minimum lease payments under operating leases of land and buildings	352,367	316,142
Write-off of prepayments	1,358,400	-

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2023

8. SURPLUS BEFORE TAX (continued)

This is arrived at after charging: (continued)

	2024 HK\$	2023 HK\$
Staff costs		
Salaries and allowance	4,305,019	4,439,335
Mandatory provident fund contributions	<u>155,742</u>	<u>170,803</u>
	<u>4,460,761</u>	<u>4,610,138</u>

9. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

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

	2024 HK\$	2023 HK\$
Fees	-	-
Other emoluments	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

10. INCOME TAX

No provision for Hong Kong profits tax has been made as the Association has been granted an exemption from profit tax under Section 88 of the Inland Revenue Ordinance. For the subsidiaries, no provision for Hong Kong profit tax has been made as the subsidiaries did not generate any assessable profits arising in Hong Kong during the year (2023: Nil).

	2024 HK\$	2023 HK\$
Deferred tax (note 15) and tax charge for the year	<u>681</u>	<u>680</u>

A reconciliation of the tax charge applicable to surplus before tax at the statutory rate to the tax position is as follows:

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

10. INCOME TAX (continued)

	2024 HK\$	2023 HK\$
Surplus before tax	<u>4,170,777</u>	<u>4,690,587</u>
Tax at the statutory tax rate of 16.5%	688,178	773,946
Income not subject to tax	(3,713,248)	(3,440,760)
Expenses not deductible for tax	3,038,799	2,679,218
Temporary difference not recognised	659	653
Tax losses utilised from prior years	<u>(13,707)</u>	<u>(12,377)</u>
Tax	<u>681</u>	<u>680</u>

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK\$	Leasehold improvement HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Motor vehicle HK\$	Total HK\$
<i>Cost</i>						
At 1 April 2023	71,221,408	5,219,156	4,467,769	948,307	75,000	81,931,640
Additions	-	-	1,817,328	60,279	-	1,877,607
At 31 March 2024	71,221,408	5,219,156	6,285,097	1,008,586	75,000	83,809,247
<i>Accumulated depreciation and impairment losses</i>						
At 1 April 2023	11,426,312	2,087,662	4,228,900	830,009	75,000	18,647,883
Depreciation charge	2,481,254	521,915	461,123	124,916	-	3,589,208
Impairment loss	2,884,031	-	-	-	-	2,884,031
At 31 March 2024	16,791,597	2,609,577	4,690,023	954,925	75,000	25,121,122
<i>Net book value</i>						
At 31 March 2024	54,429,811	2,609,579	1,595,074	53,661	-	58,688,125
At 31 March 2023	59,795,096	3,131,494	238,869	118,298	-	63,283,757

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

12. INTANGIBLE ASSETS

	HK\$
Goodwill arising on business combination	
<i>Cost</i>	
At 1 April 2023 and 31 March 2024	<u>6,278,525</u>
<i>Accumulated amortisation</i>	
At 1 April 2023	3,767,115
Amortisation	<u>1,255,705</u>
At 31 March 2024	<u>5,022,820</u>
<i>Net carrying amount</i>	
At 31 March 2024	<u><u>1,255,705</u></u>
At 31 March 2023	<u><u>2,511,410</u></u>

13. BORROWINGS

	2024 HK\$	2023 HK\$
Unsecured		
Non-interest-bearing borrowing	7,100,000	9,300,000
Less: Repayable within one year as current liabilities	(<u>1,100,000</u>)	(<u>1,200,000</u>)
Repayable beyond one year as non-current liabilities	<u>6,000,000</u>	<u>8,100,000</u>

The borrowings are unsecured, interest-free and repayable by once repayment on maturity or according to agreed schedule

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

14. DUE TO AN EXECUTIVE COMMITTEE MEMBER

The amount due to an executive committee member of the Association is unsecured, interest-free and repayable on demand.

15. DEFERRED TAX LIABILITIES

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	2024 HK\$	2023 HK\$
At beginning of the year	3,400	2,720
Recognised in the consolidated statement of comprehensive income (note 10)	<u>681</u>	<u>680</u>
At end of the year	<u><u>4,081</u></u>	<u><u>3,400</u></u>

16. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had the following total future minimum lease payments under non-cancellable operating leases:

	2024 HK\$	2023 HK\$
Not later than one year	7,000	30,000
Later than one year and not later than five years	<u>-</u>	<u>7,000</u>
	<u><u>7,000</u></u>	<u><u>37,000</u></u>

17. INFORMATION OF SUBSIDIARIES

Particulars of the Association's subsidiaries at 31 March 2024 are as follows:

Name	Place of incorporation	Percentage of ordinary shares directly held by the Association	Principal activities
Ateen Limited	Hong Kong	100	Inactive
Dateen Vegetarian Food Limited	Hong Kong	100	Sale of food and groceries
Grandnic Hong Kong Limited	Hong Kong	100	Property investment

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

18. STATEMENT OF FINANCIAL POSITION OF THE ASSOCIATION

	2024 HK\$	2023 HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	24,158,314	27,252,650
Investments in subsidiaries	46,200,322	46,236,725
Total non-current assets	<u>70,358,636</u>	<u>73,489,375</u>
CURRENT ASSETS		
Accounts receivable	733,746	77,102
Prepayments, deposits and other receivables	4,916,074	9,128,438
Cash and bank balances	21,736,298	10,194,199
Total current assets	<u>27,386,118</u>	<u>19,399,739</u>
CURRENT LIABILITIES		
Borrowings	1,100,000	1,200,000
Other payables and accruals	712,120	124,195
Due to an executive committee member	-	398,706
Total current liabilities	<u>1,812,120</u>	<u>1,722,901</u>
NET CURRENT ASSETS	<u>25,573,998</u>	<u>17,676,838</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>95,932,634</u>	<u>91,166,213</u>
NON-CURRENT LIABILITY		
Borrowings	<u>6,000,000</u>	<u>8,100,000</u>
Net assets	<u>89,932,634</u>	<u>83,066,213</u>
FUND		
Accumulated surplus	<u>89,932,634</u>	<u>83,066,213</u>

.....
SIK, Hin Shuen
Executive committee member

.....
TAN, Sock Hooi
Executive committee member

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

19. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated and company-level statements of financial position were approved and the consolidated financial statements were authorised for issue by the Association's executive committee on 27 November 2024.

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

THE FOLLOWING DETAILED STATEMENT OF COMPREHENSIVE INCOME OF THE ASSOCIATION
HAS BEEN PREPARED FOR MANAGEMENT PURPOSE ONLY AND DOES NOT FORM PART OF THE
AUDITED FINANCIAL STATEMENTS

Year ended 31 March 2024

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

For management purpose only

	Notes	2024 HK\$	2023 HK\$
DONATION INCOME		<u>21,868,229</u>	<u>20,162,014</u>
OTHER INCOME			
Bank interest income		293,930	74,420
Course income		341,296	241,234
Government subsidies		-	375,200
Total other income		<u>635,226</u>	<u>690,854</u>
Administrative and other expenses	1	(15,637,034)	(13,058,151)
Finance costs	2	-	(406,611)
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>6,866,421</u></u>	<u><u>7,388,106</u></u>

NOTE:

Requirement in connection with "Non-statutory accounts" under Section 436 of the Hong Kong Companies Ordinance

The Association's financial information relating to the year ended 31 March 2024 included in this detailed statement of comprehensive income does not constitute the Group's statutory annual financial statements for this year. Further information relating to these statutory financial statements required to be disclosed in accordance with Section 436 of the Companies Ordinance is as follows:

The Group's auditors have reported on the consolidated financial statements for the year ended 31 March 2024. The auditor's report was unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying its report; and did not contain a statement under Sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

THE CENTRE FOR SPIRITUAL PROGRESS TO GREAT AWAKENING LIMITED

NOTES TO DETAILED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	2024 HK\$	2023 HK\$
1. Administrative and other expenses		
Advertising and promotion	-	85,040
Auditor's remuneration	35,000	32,000
Bank charges	32,740	29,423
Buddhist chaplaincy caring services	460,032	546,124
Building management fee	334,680	328,641
Cleaning, sanitary and antigen test kit	44,689	29,148
Community caring services	448,641	421,912
Computer expenditure	3,160	89,712
Consultancy fee	571,720	488,600
Course expenses	93,669	33,376
Depreciation	2,087,912	2,145,669
Donations – cash for charitable purpose	628,276	1,434,548
Elderly caring services	234,381	453,380
Electricity and water	140,127	119,837
Exchange difference, net	9,630	11,615
Insurance	193,634	219,223
Impairment loss on property, plant and equipment	2,884,031	-
Jing Yuan Charity Foundation – Lucky Bag	-	110,146
Mandatory provident fund contributions	155,742	170,803
Office suppliers	453,370	377,755
Packaging	14,281	6,182
Postage and courier	6,665	6,365
Printing and stationery	50,520	262,500
Professional fee	12,205	2,905
Rent, rates and government rent	352,367	316,142
Repairs and maintenance	372,775	528,232
Staff salary	4,305,019	4,439,335
Sundry expenses	50,314	55,851
Telephone, fax and broadband	47,982	41,129
Transportation	9,709	11,502
Travelling – local and overseas	110,843	92,936
Uniform	-	31,110
Vehicle running expenses	122,870	128,211
Volunteers' messing	11,650	8,799
Write-off of prepayments	1,358,400	-
	<u>15,637,034</u>	<u>13,058,151</u>
2. Finance costs		
Interest on a bank loan	-	247,521
Interest on other loans	-	159,090
	<u>-</u>	<u>406,611</u>

