

Ten Percent Donation Scheme Foundation
十分關愛基金會

Reports and Financial Statements

For the year ended 31 March 2020

Contents

	Pages
Directors' Report	1 - 2
Independent Auditor's Report	3 - 5
Statement of Income and Accumulated Surplus	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 12

Directors' Report

For the year ended 31 March 2020

The directors present their annual report and the audited financial statements of Ten Percent Donation Scheme Foundation 十分關愛基金會 (the "Company") for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The Company is a charitable organisation in Hong Kong and is engaged in charity to the general public.

RESULTS

The surplus of the Company for the year ended 31 March 2020 are set out in the statement of comprehensive income and accumulated surplus on page 6.

CHARITABLE DONATIONS

The Company made charitable donations amounting to HK\$5,396,631 during the year ended 31 March 2020.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

So Kwok Hoo	(resigned on 9 June 2020)
Chan Ying Leung	
So Chi Ming	
Sun Kwok Wah Peter	
Wong Hin Shek	
Chong Tin Lung Benny	
Tsoi Man Po	
So Tat Man David	
Tse Tim	
Chau Jonathan Chun Pong	(appointed on 9 June 2020)

In accordance with Article 46 of the Company's Articles of Association, one third of the existing directors retire from office and, being eligible, offer themselves for re-election.

ARRANGEMENTS TO PURCHASES SHARES OR DEBENTURES

At no time during the year was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Report - Continued

For the year ended 31 March 2020

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Except as disclosed in Note 11 to the financial statements, there were no contracts of significance to which the Company was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

AUDITOR

The financial statements of the Company for the year ended 31 March 2020 have been audited by Asian Alliance (HK) CPA Limited ("Asian Alliance").

Asian Alliance will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for the re-appointment of Asian Alliance as auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board



So Chi Ming
Director

Hong Kong
12 October 2020

Independent Auditor's Report

**TO THE MEMBERS OF
TEN PERCENT DONATION SCHEME FOUNDATION**

十分關愛基金會

(incorporated in Hong Kong with limited liability by guarantee)

OPINION

We have audited the financial statements of Ten Percent Donation Scheme Foundation (the "Company") set out on pages 6 to 12, which comprise the statement of financial position as at 31 March 2020, and the statement of income and accumulated surplus and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its 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 Financial Statements section of our report. We are independent of the Company 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.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report - Continued

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the 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 directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report - Continued

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS **- Continued**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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.

Asian Alliance (HK) CPA Limited

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Lam Ho Kin
Practising Certificate Number: P07407

Hong Kong
12 October 2020

Statement of Income and Accumulated Surplus For the year ended 31 March 2020

	Notes	2020 HK\$	2019 HK\$
Income			
Donation income	6	6,747,917	10,085,003
Bank interest income		6,970	6,070
		6,754,887	10,091,073
Expenditure			
Donations made		(5,396,631)	(3,386,539)
Functions expenses		(1,614,625)	(1,968,142)
Administrative expenses		(867,112)	(577,177)
		(7,878,368)	(5,931,858)
(Deficit) surplus for the year	7	(1,123,481)	4,159,215
Income tax expense	8	-	-
(Deficit) surplus and total comprehensive (expense) income for the year		(1,123,481)	4,159,215
Accumulated surplus at the beginning of the year		10,348,723	6,189,508
Accumulated surplus at the ended of the year		9,225,242	10,348,723

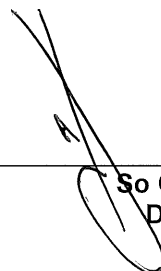
Statement of Financial Position At 31 March 2020

	Note	2020 HK\$	2019 HK\$
CURRENT ASSETS			
Other receivables, deposit and prepayments	9	426,059	1,067,166
Bank balances and cash		8,806,183	9,302,418
		9,232,242	10,369,584
CURRENT LIABILITY			
Accruals		7,000	20,861
NET ASSETS		9,225,242	10,348,723
RESERVE			
Accumulated surplus		9,225,242	10,348,723

The financial statements on pages 6 to 12 were approved and authorised for issue by the Board of Directors on 12 October 2020 and are signed on its behalf by:



Chong Tin Lung Benny
Director



So Chi Ming
Director

Statement of Cash Flows

For the year ended 31 March 2020

	2020 HK\$	2019 HK\$
OPERATING ACTIVITIES		
(Deficit) surplus for the year	(1,123,481)	4,159,215
Adjustments for:		
Interest income	(6,970)	(6,070)
Written off of other receivables	229,300	-
Operating cash flows before movements in working capital	(901,151)	4,153,145
Decrease (increase) in other receivables, deposit and prepayments	411,807	(793,537)
(Decrease) increase in accruals	(13,861)	15,861
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(503,205)	3,375,469
NET CASH FROM INVESTING ACTIVITY		
Interest received	6,970	6,070
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(496,235)	3,381,539
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,302,418	5,920,879
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	8,806,183	9,302,418

Notes to the Financial Statements

For the year ended 31 March 2020

1. GENERAL

Ten Percent Donation Scheme Foundation 十分關愛基金會 (the "Company") is a company incorporated in Hong Kong and limited by guarantee.

The Company is a charitable organisation in Hong Kong and is engaged in charity to the general public.

The registered office and principal place of business of the Company is located at Room 1127, Flat AB, 11/F., Block1, Camelpaint Building, 62 Hoi Yuen Road, Kwun Tong, Kowloon.

The financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared 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 the Hong Kong Companies Ordinance ("CO"). They have been prepared under historical cost convention.

3. TRANSITION FROM HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") TO HKFRS FOR PRIVATE ENTITIES

The Company's financial statements for the year ended 31 March 2020 are its first annual financial statements prepared under accounting policies that comply with the HKFRS for Private Entities. The Company applied the HKFRSs to prepare its financial statements prior to the application of the HKFRS for Private Entities.

The Company's date of transition is 1 April 2018 and the Company prepared its opening statement of financial position in compliance with the HKFRS for Private Entities at that date. There is no impact on the financial position, financial performance and cash flow upon the adoption of HKFRS for Private Entities.

The Company has applied all the mandatory exceptions from full retrospective application of the HKFRS for Private Entities when preparing these financial statements in accordance with the HKFRS for Private Entities.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are set out below.

Revenue recognition

Donation income is recognised when the right to receive payment is established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Financial Statements

For the year ended 31 March 2020

4. SIGNIFICANT ACCOUNTING POLICIES - Continued

Leases

All leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Employee benefit obligations

Salaries, annual bonuses, paid annual 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 stated at their present values.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 4 to the financial statements, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The Directors has not come across any significant areas where critical judgements are involved in applying the Company's accounting policies.

Key sources of estimation uncertainty

The Directors have not come across any key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DONATION INCOME

Donation income represent donations received and receivable during the year.

Notes to the Financial Statements

For the year ended 31 March 2020

7. (DEFICIT) SURPLUS FOR THE YEAR

	2020 HK\$	2019 HK\$
(Deficit) surplus for the year has been arrived at after charging:		
Auditor's remuneration	1,200	1,200
Directors' remuneration	-	-
Minimum leases payments under operating lease in respect of rented premises	28,567	15,044
Staff costs		
- Salaries and allowance	520,000	474,793
- Contributions to retirement benefits scheme	25,000	21,350
Total staff costs	545,000	496,143

8. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been provided in the financial statements as the Company is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

9. OTHER RECEIVABLES, DEPOSIT AND PREPAYMENT

	2020 HK\$	2019 HK\$
Other receivables	393,600	1,062,800
Deposit	15,720	320
Prepayment	16,739	4,046
	426,059	1,067,166

10. OPERATING LEASES COMMITMENT

As lessee

At the end of the reporting period, the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2020 HK\$	2019 HK\$
Within one year	79,200	1,440
Later than one year but within five years	93,600	-
	172,800	1,440

Operating lease payments represent rentals payable by the Company for its office premises. Leases are negotiated and rentals are fixed for terms ranging from 1 year to 3 years (2019: 1 year) during the year ended 31 March 2020, and no arrangements have been entered into for contingent rental payments.

Notes to the Financial Statements For the year ended 31 March 2020

11. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

No remuneration was paid to key management personnel during the years ended 31 March 2020 and 2019.

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

Names of related parties	Relationship	Nature of transactions	2020 HK\$	2019 HK\$
So Kwok Hoo	Director	Donation income	39,800	51,300
Chan Ying Leung	Director	Donation income	41,300	45,800
So Chi Ming	Director	Donation income	109,200	252,700
Wong Hin Shek	Director	Donation income	-	3,000
Chong Tin Lung Benny	Director	Donation income	100,000	219,580
Tsoi Man Po	Director	Donation income	-	19,800
So Tat Man David	Director	Donation income	-	39,800
Tse Tim	Director	Donation income	230,000	-

12. LIMITED BY GUARANTEE

In accordance with Clause fifth and sixth of the Memorandum of Association of the Company, the liability of the members is limited, every member of the Company undertakes to contribute a sum not exceeding HK\$100 to the assets of the Company in the event of its being wound up during the time that he/she is a member or within one year thereafter he/she ceases to be a member.

In accordance with Article 40 of the Company's Articles of Association, borrowings shall not exceed 20% of the total assets of the Company. The Directors monitor the debt level on a daily basis to ensure it meets such requirement.

The Company did not incur any debts financing, and therefore there is no non-compliance of the restriction on borrowings requirements existed during the two years ended 31 March 2020 and 2019.

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 12 October 2020.

Detailed Statement of Income

For the year ended 31 March 2020

	2020 HK\$	2019 HK\$
INCOME		
Donation income	6,747,917	10,085,003
Bank interest income	6,970	6,070
	6,754,887	10,091,073
EXPENDITURE		
Functions expenses	(1,614,625)	(1,968,142)
Donations made	(5,396,631)	(3,386,539)
Administrative expenses		
Auditor's remuneration	(1,200)	(1,200)
Bank charges	(13,864)	(3,955)
Business centre rental	(16,567)	(15,044)
Computer related expenses	(3,148)	(35,915)
Insurance	(15,650)	(11,453)
MPF - employer	(25,000)	(21,350)
Postage and courier	(2,748)	(1,885)
Printing and stationery	(1,055)	(1,974)
Rent and rates	(12,000)	-
Staff salary	(520,000)	(474,793)
Sundry expenses	(8,990)	(4,389)
Telephone and communications	(4,356)	(4,709)
Transportation	(13,234)	(510)
Written off of other receivables	(229,300)	-
	(867,112)	(577,177)
TOTAL EXPENDITURE	(7,878,368)	(5,931,858)
(DEFICIT) SURPLUS FOR THE YEAR	(1,123,481)	4,159,215