

Ten Percent Donation Scheme Foundation
十分關愛基金會

Reports and Financial Statements

For the year ended 31 March 2021

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 2021

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 2021.

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 2021 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\$2,271,656 during the year ended 31 March 2021.

DIRECTORS

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

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

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 2021

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 2021 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
30 September 2021

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 2021, 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 2021, 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 ("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 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional 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
30 September 2021

Statement of Income and Accumulated Surplus

For the year ended 31 March 2021

	Notes	2021 HK\$	2020 HK\$
Income			
Donation income	5	258,007	6,747,917
Other income	6	99,000	-
Bank interest income		159	6,970
		357,166	6,754,887
Expenditure			
Donations made		(2,271,656)	(5,396,631)
Functions expenses		-	(1,614,625)
Administrative expenses		(702,371)	(867,112)
		(2,974,027)	(7,878,368)
Deficit for the year	7	(2,616,861)	(1,123,481)
Income tax expense	8	-	-
Deficit and total comprehensive expense for the year		(2,616,861)	(1,123,481)
Accumulated surplus at the beginning of the year		9,225,242	10,348,723
Accumulated surplus at the ended of the year		6,608,381	9,225,242

Statement of Financial Position At 31 March 2021

	Note	2021 HK\$	2020 HK\$
CURRENT ASSETS			
Other receivables, deposit and prepayments	9	176,320	426,059
Bank balances and cash		6,437,161	8,806,183
		6,613,481	9,232,242
CURRENT LIABILITY			
Accruals		5,100	7,000
NET ASSETS		6,608,381	9,225,242
RESERVE			
Accumulated surplus		6,608,381	9,225,242

The financial statements on pages 6 to 12 were approved and authorised for issue by the Board of Directors on 30 September 2021 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 2021

	2021 HK\$	2020 HK\$
OPERATING ACTIVITIES		
Deficit for the year	(2,616,861)	(1,123,481)
Adjustments for:		
Interest income	(159)	(6,970)
Written off of other receivables	-	229,300
Operating cash flows before movements in working capital	(2,617,020)	(901,151)
Decrease in other receivables, deposit and prepayments	249,739	411,807
Decrease in accruals	(1,900)	(13,861)
NET CASH USED IN OPERATING ACTIVITIES	(2,369,181)	(503,205)
NET CASH FROM INVESTING ACTIVITY		
Interest received	159	6,970
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,369,022)	(496,235)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	8,806,183	9,302,418
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	6,437,161	8,806,183

Notes to the Financial Statements

For the year ended 31 March 2021

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. 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.

Government grants income

Government grants income are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Notes to the Financial Statements

For the year ended 31 March 2021

3. 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3 to the financial statements, the directors of the Company (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.

5. DONATION INCOME

Donation income represent donations received and receivable during the year.

Notes to the Financial Statements

For the year ended 31 March 2021

6. OTHER INCOME

	2021 HK\$	2020 HK\$
The Government of the HKSAR: - Government Subsidy Fund (Note)	99,000	-

Note:

During the year, the Company recognised government subsidy of HK\$99,000 in respect of Covid-19-related, which relates to the Employment Support Scheme provided by the Government of Hong Kong Special Administrative Region.

7. DEFICIT FOR THE YEAR

	2021 HK\$	2020 HK\$
Deficit for the year has been arrived at after charging:		
Auditor's remuneration	1,000	1,200
Directors' remuneration	-	-
Minimum leases payments under operating lease in respect of rented premises	90,527	28,567
Staff costs		
- Salaries and allowance	501,572	520,000
- Contributions to retirement benefits scheme	24,079	25,000
Total staff costs	525,651	545,000

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

	2021 HK\$	2020 HK\$
Other receivables	150,400	393,600
Deposit	15,720	15,720
Prepayment	10,200	16,739
	176,320	426,059

Notes to the Financial Statements

For the year ended 31 March 2021

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:

	2021 HK\$	2020 HK\$
Within one year	86,400	79,200
Later than one year but within five years	7,200	93,600
	93,600	172,800

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 2 years (2020: 1 year to 2 years) during the year ended 31 March 2021, and no arrangements have been entered into for contingent rental payments.

11. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

No remuneration was paid to key management personnel during the years ended 31 March 2021 and 2020.

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	2021 HK\$	2020 HK\$
So Kwok Hoo	Director	Donation income	-	39,800
Chan Ying Leung	Director	Donation income	-	41,300
So Chi Ming	Director	Donation income	-	109,200
Chong Tin Lung Benny	Director	Donation income	-	100,000
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 2021 and 2020.

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 September 2021.

Detailed Statement of Income

For the year ended 31 March 2021

	2021 HK\$	2020 HK\$
INCOME		
Donation income	258,007	6,747,917
Other income	99,000	-
Bank interest income	159	6,970
	357,166	6,754,887
EXPENDITURE		
Functions expenses	-	(1,614,625)
Donations made	(2,271,656)	(5,396,631)
Administrative expenses		
Auditor's remuneration	(1,000)	(1,200)
Bank charges	(970)	(13,864)
Business centre rental	(11,327)	(16,567)
Storage and godown	(10,367)	(10,807)
Computer related expenses	(16,948)	(3,148)
Insurance	(15,713)	(15,650)
MPF - employer	(24,079)	(25,000)
Postage and courier	(1,026)	(2,748)
Printing and stationery	(9,702)	(1,055)
Rent and rates	(79,200)	(12,000)
Staff salary	(501,572)	(520,000)
Sundry expenses	(4,600)	(8,990)
Telephone and communications	(7,848)	(4,356)
Transportation	(7,320)	(13,234)
Trademark fee	(18,400)	-
Utilities expenses	(2,666)	-
Written off of other receivables	-	(229,300)
	(702,371)	(867,112)
TOTAL EXPENDITURE	(2,974,027)	(7,878,368)
DEFICIT FOR THE YEAR	(2,616,861)	(1,123,481)