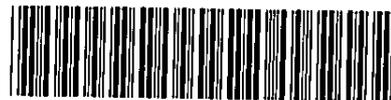


**RUNOURCITY FOUNDATION LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



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# **RUNOURCITY FOUNDATION LIMITED**

## **REPORT OF THE DIRECTORS**

The directors submit their report together with the audited financial statements for the year ended 31 December 2020.

### **PRINCIPAL ACTIVITIES**

The principal activities of RunOurCity Foundation Limited (“the Entity”) are to promote running events as a channel to assist young people and the community and also to promote charity and creativity.

### **RESULTS**

The results of the Entity for the year ended 31 December 2020 and the state of the Entity’s affairs at that date are set out in the financial statements on pages 6 to 16.

### **REPORTING EXEMPTION AND BUSINESS REVIEW**

The Entity falls within the reporting exemption for the financial year. Accordingly, the Entity is exempt from complying with certain reporting requirements including preparing a business review.

### **DONATIONS**

Donations made by the Entity during the year amounted to HK\$24,192.

### **DIRECTORS**

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

LEUNG Pak Hang

LO Ken Kwan Poon

NGAI Wah Sing, Francis

CHEUNG Leong (resigned on 18 December 2020)

CHIU Ka Chung, Janice (resigned on 18 December 2020)

### **DIRECTORS’ INDEMNITIES**

As permitted by the Articles of Association of the Entity, a director of the Entity may be indemnified out of the Entity’s assets against any liability incurred by the director that attaches to such director in his or her Entity as a director of the Entity, to the extent permitted by law.

### **MANAGEMENT CONTRACTS**

The Entity did not enter into any contract, other than the contracts of service with any director of the Entity or any person engaged in the full-time employment of the Entity, by which a person or entity undertakes the management and administration of the whole or any substantial part of any business of the Entity.

# **RUNOURCITY FOUNDATION LIMITED**

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **AUDITOR**

The financial statements have been audited by Messrs Roger Kam & Co., Certified Public Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the board



LO Ken Kwan Poon  
Director  
Date, 9 June 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
RUNOURCITY FOUNDATION LIMITED  
(incorporated in Hong Kong with limited liability)**

**Opinion**

We have audited the financial statements of RUNOURCITY FOUNDATION LIMITED ("the Entity") set out on pages 6 to 16, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in general funds and 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 Entity as at 31 December 2020, and of its financial performance and its 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 Entity 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 financial statements and auditor's report thereon**

The directors are responsible for the other information. The other information comprises the information included in the report of the directors, but does not include the financial statements and our auditor's reports 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 TO THE MEMBERS OF  
RUNOURCITY FOUNDATION LIMITED  
(incorporated in Hong Kong with limited liability)**

**Responsibilities of directors and those charged with governance for the financial statements**

The directors 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion 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 financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatements 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
RUNOURCITY FOUNDATION LIMITED  
(incorporated in Hong Kong with limited liability)**

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

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Roger Kam & Co.**  
**Certified Public Accountants (Practising)**

Hong Kong, 9 June 2021

# RUNOURCITY FOUNDATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
<b>Revenue</b>	4	8,822,288	9,103,043
Cost of income		<u>(5,857,575)</u>	<u>(6,175,956)</u>
<b>Gross surplus</b>		2,964,713	2,927,087
Other income	4	308,725	1,906
Administrative expenses		(1,916,386)	(1,390,452)
Other operating expenses		<u>(1,055,412)</u>	<u>(2,545,877)</u>
<b>Operating surplus / (deficit)</b>		301,640	(1,007,336)
Finance costs	5	<u>(1)</u>	<u>-</u>
<b>Surplus / (deficit) before tax</b>	5	301,639	(1,007,336)
Taxation	7	<u>-</u>	<u>-</u>
<b>Surplus / (deficit) and total comprehensive surplus / (deficit) for the year</b>		<u>301,639</u>	<u>(1,007,336)</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

# RUNOURCITY FOUNDATION LIMITED

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
<b>Non-current assets</b>			
Plant and equipment	8	6,251	10,664
<b>Current assets</b>			
Other receivables		275,410	795,542
Bank balances		2,339,716	1,763,190
		2,615,126	2,558,732
<b>Current liabilities</b>			
Other payables and accrued expenses		137,259	245,144
Amount due to a related company	9	15,974	157,747
		153,233	402,891
<b>Net current assets</b>		2,461,893	2,155,841
<b>Total assets less current liabilities</b>		2,468,144	2,166,505
<b>Non-current liabilities</b>			
Long-term loans	10	(2,400,000)	(2,400,000)
<b>NET ASSETS / (LIABILITIES)</b>		68,144	(233,495)
<b>CAPITAL AND RESERVES</b>			
Accumulated surplus / (deficit)		68,144	(233,495)

Approved and authorised for issue by the Board of Directors on 9 June 2021

  
 LEUNG Pak Hang  
 Director

  
 LO Ken Kwan Poon  
 Director

The notes on pages 10 to 16 form an integral part of these financial statements.

# **RUNOURCITY FOUNDATION LIMITED**

## **STATEMENT OF CHANGES IN GENERAL FUNDS FOR THE YEAR ENDED 31 DECEMBER 2020**

	Accumulated (deficit) / surplus HK\$
Balance at 1 January 2019	773,841
Total comprehensive deficit for the year	<u>(1,007,336)</u>
Balance at 31 December 2019	(233,495)
Total comprehensive surplus for the year	<u>301,639</u>
Balance at 31 December 2020	<u><u>68,144</u></u>

The notes on pages 10 to 16 form an integral part of these financial statements.

# RUNOURCITY FOUNDATION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 HK\$	2019 HK\$
<b>Cash flows from operating activities</b>			
Surplus / (deficit) before tax		301,639	(1,007,336)
Adjustments for:-			
Bank interest income	4	(25)	(1,906)
Depreciation	5	4,413	2,574
Bank interest expense	5	<u>1</u>	<u>-</u>
<b>Operating surplus / (deficit) before changes in working capital</b>		306,028	(1,006,668)
Decrease / (increase) in other receivables		520,132	(453,580)
Decrease in amount due from a related company		-	749,890
(Decrease) / increase in other payables and accrued expenses		(107,885)	128,463
(Decrease) / increase in amount due to a related company		<u>(141,773)</u>	<u>157,747</u>
<b>Net cash generated from / (used in) operating activities</b>		<u>576,502</u>	<u>(424,148)</u>
<b>Cash flows from investing activities</b>			
Purchases of plant and equipment		-	(13,238)
Bank interest received		<u>25</u>	<u>1,906</u>
<b>Net cash generated from / (used in) investing activities</b>		<u>25</u>	<u>(11,332)</u>
<b>Cash flows from financing activities</b>			
Proceeds from new long-term loan		-	1,400,000
Repayment of long-term loan		-	(400,000)
Bank interest paid		<u>(1)</u>	<u>-</u>
<b>Net cash (used in) / generated from financing activities</b>		<u>(1)</u>	<u>1,000,000</u>
<b>Net increase in cash and cash equivalents</b>		576,526	564,520
<b>Cash and cash equivalents at beginning of the year</b>		<u>1,763,190</u>	<u>1,198,670</u>
<b>Cash and cash equivalents at end of the year</b>		<u>2,339,716</u>	<u>1,763,190</u>
<b>Analysis of the balances of cash and cash equivalents</b>			
Bank balances		<u>2,339,716</u>	<u>1,763,190</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

# **RUNOURCITY FOUNDATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **1 GENERAL**

The Entity was incorporated in Hong Kong and is engaged in promoting running events as a channel to assist young people and the community and also to promote charity and creativity. The Entity's registered office is located at Flat A, 5/F, Ka Wing Factory Building, 19-21 Ng Fong Street, San Po Kong, Kowloon.

### **2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and with accounting standards issued by the HKICPA.

#### **(a) Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of plant and equipment is calculated at rates sufficient to write off their cost over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:-

Computer equipment	- 33.33%
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If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **(b) Other receivables**

Other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of the receivables.

# RUNOURCITY FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

(d) Impairment of other non-financial assets

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

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

(e) Other payables

Other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Entity. All other 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 leases.

(g) Borrowings

Borrowings are recognised initially at the transaction price and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Entity has an unconditional right to defer settlement of the liabilities for at least twelve months after the reporting date.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

# RUNOURCITY FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is shown net of discounts, rebates, returns, sales-related taxes.

- (i) revenue from charity sales are recognized when goods are delivered and titles have been passed to the buyers.
- (ii) events income and program income are recognised when the related services are rendered.
- (iii) sponsorship received, grant received and event donation received are recognised as revenue when received or un-conditionally promised.
- (iv) government subsidies that compensate the Entity for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.
- (v) bank interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

#### (i) Employee benefits

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.

The Entity operates a Mandatory Provident Fund Scheme (the MPF scheme) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

#### (j) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

# RUNOURCITY FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (k) Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

#### (l) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:-

- i) a person or a close member of that person's family is related to the entity if that person is a member of the key management personnel of the entity;
- ii) a person or a close member of that person's family is related to the entity if that person has control over the entity or has joint control or significant influence over the entity or has significant voting power in it;
- iii) the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan;
- iv) the entity is controlled or jointly controlled by a person identified in (i) and (ii); or
- v) a person identified in (i) has significant voting power in the entity.

# RUNOURCITY FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 REVENUE AND OTHER INCOME

	2020 HK\$	2019 HK\$
<b>Revenue</b>		
Charity sales	138,780	-
Donation received	317,228	549,532
Events income	2,743,937	3,443,938
Grant received	100,000	1,284,113
Program income	1,480,878	366,820
Sponsorship received	3,944,528	3,390,500
Other income	96,937	68,140
	<u>8,822,288</u>	<u>9,103,043</u>
<b>Other income</b>		
Bank interest income	25	1,906
Government subsidies (note)	308,700	-
	<u>308,725</u>	<u>1,906</u>
	<u>9,130,013</u>	<u>9,104,949</u>

Note: During the year ended 31 December 2020, the Entity successfully applied for funding support under the Anti-epidemic Fund, set up by the Government of Hong Kong Special Administrative Region. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant for Employment Support Scheme, the Entity is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

### 5 SURPLUS / (DEFICIT) BEFORE TAX

Surplus / (deficit) before tax is stated after charging the following:-

	2020 HK\$	2019 HK\$
Auditor's remuneration	21,000	23,000
Bad debt	2,400	14,800
Bank overdraft interest	1	-
Depreciation	4,413	2,574
Rentals under operating leases:-		
- office	281,328	221,220
Staff costs:-		
- salaries	1,312,569	727,316
- contributions to retirement benefit plan	132,724	111,936
- staff welfare	-	783

# RUNOURCITY FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 DIRECTORS' REMUNERATION

In accordance with Article 6 of Mandatory Articles of the Entity's Articles of Association, every member of the Entity shall not be appointed to any salaried office of the Entity, or any office of the Entity paid by fees and no remuneration or other benefit in money or money's worth.

### 7 TAXATION

No provision for Hong Kong profits tax has been made in the financial statements as the Entity is exempt from tax under Section 88 of the Inland Revenue Ordinance.

### 8 PLANT AND EQUIPMENT

	Computer equipment HK\$
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	41,074
<b>Accumulated depreciation</b>	
At 1 January 2020	30,410
Charge for the year	4,413
At 31 December 2020	34,823
<b>Net book value</b>	
At 31 December 2020	6,251
At 31 December 2019	10,664

### 9 AMOUNT DUE TO A RELATED COMPANY

The amount due to related company is interest-free, unsecured and has no fixed terms of repayment.

### 10 LONG-TERM LOANS

The Entity had a long-term loan facility totaling HK\$1,800,000 which is interest-free and repayable by 4 installments from July 2018 to July 2021 of which 2 installments totaling HK\$800,000 had been repaid. This loan has granted to the Entity in 3 payments from July 2015 to July 2017 and was secured by a corporate guarantee given by a related company.

The Entity had another long-term loan facility totaling HK\$3,000,000 of which HK\$1,400,000 was received by the Entity. The loan is interest-free and repayable by 4 installments from June 2022 to June 2025. This loan has granted to the Entity in May 2019 and was secured by a corporate guarantee given by a related company.

# RUNOURCITY FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year, the Entity had entered into the following material transactions with its related parties as follows:

	2020	2019
	HK\$	HK\$
Donation received from a related company	1,840	14,601
Event management fee charged by a related company	1,598,938	1,167,133
Service fee paid to a related company	<u>933,152</u>	<u>2,034,493</u>

### 12 COMPANY LIMITED BY GUARANTEE

The Entity was registered as a company limited by guarantee and not having a share capital. In accordance with Article 5 of the Entity's Memorandum of Association, the Entity was incorporated by members' guarantee with every member's liability not exceeding HK\$100.

(FOR MANAGEMENT PURPOSES ONLY)

**RUNOURCITY FOUNDATION LIMITED**  
**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	HK\$	HK\$	HK\$
<b>Turnover</b>			
Charity sales		138,780	-
Donation received		317,228	549,532
Events income		2,743,937	3,443,938
Grant received		100,000	1,284,113
Program income		1,480,878	366,820
Sponsorship received		3,944,528	3,390,500
Other income		96,937	68,140
		<u>8,822,288</u>	<u>9,103,043</u>
<b>Cost of income</b>			
Events costs	1,598,938		1,167,133
Program costs	<u>4,258,637</u>		<u>5,008,823</u>
		<u>5,857,575</u>	<u>6,175,956</u>
<b>Gross surplus</b>		2,964,713	<u>2,927,087</u>
<b>Other income</b>			
Bank interest income	25		1,906
Government subsidies	<u>308,700</u>		<u>-</u>
		<u>308,725</u>	<u>1,906</u>
		3,273,438	<u>2,928,993</u>
<b>General expenses</b>			
Administrative expenses			
Bank charges	2,243		1,881
Depreciation	4,413		2,574
Handling fee	161,706		300,297
Insurance	21,403		16,251
Mandatory provident fund expenses	132,724		111,936
Office rental	281,328		221,220
Salaries	1,312,569		727,316
Staff welfare	-		783
Telephone	<u>-</u>		<u>8,194</u>
		1,916,386	<u>1,390,452</u>

Other operating expenses		
Accounting fee	3,120	6,880
Auditor's remuneration	21,000	23,000
Bad debt	2,400	14,800
Donations	24,192	111,903
Entertainment	5,498	747
Penalty	1,714	-
Printing and stationery	636	2,031
Professional fee	3,000	3,000
Service fee	933,152	2,034,493
Sundry expenses	<u>60,700</u>	<u>349,023</u>
	<u>1,055,412</u>	<u>2,545,877</u>
Operating surplus / (deficit)	301,640	(1,007,336)
<b>Finance costs</b>		
Bank overdraft interest	<u>(1)</u>	<u>-</u>
<b>Surplus / (deficit) before tax</b>	<u><u>301,639</u></u>	<u><u>(1,007,336)</u></u>