

Ref : Y199

**Youth Diabetes Action**  
**Report of the councillors**  
**and**  
**audited financial statements**  
**for the year ended 31 March 2021**



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# Youth Diabetes Action

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## **Youth Diabetes Action**

### **Report of the councillors**

The councillors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2021.

#### **Principal activities**

Youth Diabetes Action (the "Association") is a non-profit making organisation and its principal activities are to support children and adolescents with diabetes and their families in Hong Kong through the following objectives:

- To promote community awareness and knowledge of diabetes' effect on children and adolescents;
- To be an advocate for children and adolescents with diabetes;
- To improve communication with and support to children and adolescents with diabetes and their family members; and
- To organise, promote and execute educational, social, financial support and other programmes for children and adolescents with diabetes, their family members, and the public.

#### **Business review**

In accordance with section 388(3)(a) of the Hong Kong Companies Ordinance, the Association is exempt from presenting the business review in the report of the councillors.

#### **Councillors and their interests**

The councillors who held office during the year and up to the date of this report were as follows:

Joanna Hotung  
Cheng Fung Leung Ki Fina  
Chow Yim Wah Angela  
Julie Fried (resigned on 7 March 2021)  
Melissa Ann Brewster  
Andrew Charles Maynard  
Haresh Kishinchand Wadhvani  
Lim Yuk Mui Lavina  
Manoj Ram Dani  
Mara Tegwen Hotung  
Kwok Yin Lai Queenie  
Lee Pui Kwan Tina  
Julie Caroline Farrell

## **Youth Diabetes Action**

### **Report of the councillors (continued)**

#### **Councillors and their interests (continued)**

In accordance with article 46 of the Association's Articles of Association, the councillors Lim Yuk Mui Lavina, Andrew Charles Maynard and Haresh Kishinchand Wadhvani retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting. All other councillors will continue in office.

None of the councillors had a significant beneficial interest in any contract of significance to the business of the Association to which the Association was a party during the year.

#### **Permitted indemnity provision**

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

#### **Auditor**

Baker Tilly Hong Kong Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as auditor of the Association is to be proposed at the forthcoming annual general meeting.

On behalf of the councillors



Cheng Fung Leung Ki Fina

Chairman

Hong Kong, 26 NOV 2021

**Independent auditor's report to the councillors of  
Youth Diabetes Action**

(Incorporated in Hong Kong and limited by guarantee)

**Opinion**

We have audited the financial statements of Youth Diabetes Action (the "Association") set out on pages 6 to 22, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income and the statement of changes in accumulated funds 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 Association as at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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 ("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 Association 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 councillors of the Association are responsible for the other information. The other information comprises the information included in the report of the councillors, 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 to the councillors of Youth Diabetes Action (continued)**

(Incorporated in Hong Kong and limited by guarantee)

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

The councillors of the Association are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the councillors 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 councillors are responsible for assessing the Association'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 councillors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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. This 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 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 Association'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.

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## **Independent auditor's report to the councillors of Youth Diabetes Action (continued)**

(Incorporated in Hong Kong and limited by guarantee)

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

- Conclude on the appropriateness of the councillors' 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 Association'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 Association 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.



Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 26 NOV 2021

Tong Wai Hang

Practising certificate number P06231

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**Youth Diabetes Action**  
**Statement of comprehensive income**  
**for the year ended 31 March 2021**  
(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
<b>Income</b>			
Fund-raising activities	3	156,584	3,111,999
General donations		472,380	502,165
Grants	4	2,360,020	1,069,770
Interest and dividend income	5	48,010	68,381
Other income		17,180	63,490
		<u>3,054,174</u>	<u>4,815,805</u>
<b>Less: Expenditure</b>			
Fund-raising activities	3	73,301	899,491
Counselling services		370,869	364,479
Care support programme		488,561	606,296
Educational and community activity		691,031	728,863
Financial and medical support		850,480	559,748
Management and administrative		550,471	580,915
Write-off of other receivables		-	619,553
		<u>3,024,713</u>	<u>4,359,345</u>
<b>Surplus for the year</b>		<u>29,461</u>	<u>456,460</u>
<b>Other comprehensive income/(loss) for the year</b>			
<b>Item that will not be reclassified subsequently to profit or loss:</b>			
Change in fair value on equity instruments at fair value through other comprehensive income		605,941	(231,182)
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Change in fair value on debt instruments at fair value through other comprehensive income		12,791	(3,381)
		<u>618,732</u>	<u>(234,563)</u>
<b>Total comprehensive income for the year</b>		<u>648,193</u>	<u>221,897</u>

The notes on pages 10 to 22 form part of these financial statements.

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## Youth Diabetes Action

### Statement of financial position as at 31 March 2021

(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
<b>Non-current assets</b>			
Property, plant and equipment	8	<u>5,510,963</u>	<u>5,662,004</u>
<b>Current assets</b>			
Financial assets at fair value through other comprehensive income	9	3,377,690	2,773,958
Other receivables		216,000	9,014
Deposits and prepayments		148,104	113,823
Cash and cash equivalents		<u>7,100,304</u>	<u>7,097,463</u>
		<u>10,842,098</u>	<u>9,994,258</u>
<b>Current liabilities</b>			
Accrued expenses		79,579	66,967
Donations received in advance	10	<u>720,205</u>	<u>684,211</u>
		<u>799,784</u>	<u>751,178</u>
<b>Net current assets</b>		<u>10,042,314</u>	<u>9,243,080</u>
<b>Net assets</b>		<u>15,553,277</u>	<u>14,905,084</u>
<b>Reserves</b>			
Accumulated fund		-	-
Designated fund	11(b)	1,545,319	1,121,797
Development fund	11(c)	1,570,000	1,570,000
Operating fund	11(d)	6,543,062	6,786,082
Capital reserve	11(e)	5,510,963	5,662,004
Fair value reserve	11(f)	<u>383,933</u>	<u>(234,799)</u>
<b>Total reserves</b>		<u>15,553,277</u>	<u>14,905,084</u>

Approved by the councillors on 26 NOV 2021



Cheng Fung Leung Ki Fina  
Councillor



Joanna Hotung  
Councillor

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The notes on pages 10 to 22 form part of these financial statements.

**Youth Diabetes Action**  
**Statement of changes in accumulated funds**  
**for the year ended 31 March 2021**  
(Expressed in Hong Kong dollars)

	Accumulated Fund HKD	Designated Fund HKD	Development Fund HKD	Operating Fund HKD	Capital reserve HKD	Fair value reserve (non-recycling) HKD	Fair value reserve (recycling) HKD	Total HKD
<b>Balance at 1 April 2019</b>	-	1,117,412	1,570,000	6,129,517	5,866,494	9,174	(9,410)	14,683,187
Surplus for the year	456,460	-	-	-	-	-	-	456,460
Other comprehensive loss for the year	-	-	-	-	-	(231,182)	(3,381)	(234,563)
Total comprehensive income for the year	456,460	-	-	-	-	(231,182)	(3,381)	221,897
Transfer from accumulated fund	(456,460)	4,385	-	656,565	(204,490)	-	-	-
<b>Balance at 31 March 2020 and 1 April 2020</b>	-	1,121,797	1,570,000	6,786,082	5,662,004	(222,008)	(12,791)	14,905,084
Surplus for the year	29,461	-	-	-	-	-	-	29,461
Other comprehensive income for the year	-	-	-	-	-	605,941	12,791	618,732
Total comprehensive income for the year	29,461	-	-	-	-	605,941	12,791	648,193
Transfer from accumulated fund	(29,461)	423,522	-	(243,020)	(151,041)	-	-	-
<b>Balance at 31 March 2021</b>	-	1,545,319	1,570,000	6,543,062	5,510,963	383,933	-	15,553,277

**Youth Diabetes Action**  
**Statement of cash flows**  
**for the year ended 31 March 2021**  
(Expressed in Hong Kong dollars)

	Note	2021 HKD	2020 HKD
<b>Operating activities</b>			
Surplus for the year		29,461	456,460
Adjustments for:			
- Dividend income	5	(30,527)	(36,707)
- Interest income	5	(17,483)	(31,674)
- Depreciation	7	198,256	200,918
- Write-off of property, plant and equipment	7	-	5,471
- Write-off of other receivables		-	619,553
		<u>179,707</u>	<u>1,214,021</u>
<b>Operating surplus before changes in working capital</b>			
Increase in other receivables		(206,986)	(411,767)
(Increase)/decrease in deposits and prepayments		(34,281)	409,458
Increase in accrued expenses		12,612	889
Increase/(decrease) in donation received in advance		35,994	(291,396)
		<u>(12,954)</u>	<u>921,205</u>
<b>Net cash (used in)/generated from operating activities</b>			
<b>Investing activities</b>			
Payments for purchase of property, plant and equipment		(47,215)	(1,899)
Additions in financial assets at fair value through other comprehensive income		(1,485,000)	(1,500,000)
Maturity of certificate of deposits		1,500,000	1,500,000
Interest received		17,483	31,674
Dividend received		30,527	36,707
		<u>15,795</u>	<u>66,482</u>
<b>Net cash generated from investing activities</b>			
<b>Net increase in cash and cash equivalents</b>			
		2,841	987,687
<b>Cash and cash equivalents at 1 April</b>			
		<u>7,097,463</u>	<u>6,109,776</u>
<b>Cash and cash equivalents at 31 March</b>			
		<u>7,100,304</u>	<u>7,097,463</u>

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The notes on pages 10 to 22 form part of these financial statements.

## **Youth Diabetes Action**

### **Notes to the financial statements**

(Expressed in Hong Kong dollars)

#### **1 General and legal status**

Youth Diabetes Action (the "Association") is incorporated and domiciled in Hong Kong. The Association is limited by guarantee and not having a capital. In accordance with the Association's Articles of Association, the liability of each of the members, in the events of the winding up of the Association, is limited to HKD10.

The registered office of the Association is B17, 9/F, Block B, Merit Industrial Centre, 94 To Kwa Wan Road, To Kwa Wan, Kowloon.

#### **2 Significant accounting policies**

##### **(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Association is set out below.

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Association. The adoption of these new and revised HKFRSs did not result in significant changes to the Association's accounting policies applied in these financial statements for the years presented.

The Association has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 13).

##### **(b) Basis of preparation of the financial statements**

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial instruments classified as financial assets at fair value through other comprehensive income are stated at their fair values (see note 2(e)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period 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.

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## Youth Diabetes Action

### Notes to the financial statements (continued)

(Expressed in Hong Kong dollars)

#### 2 Significant accounting policies (continued)

##### (c) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as the following annual rates:

Leasehold land and building	Over the remaining lease terms
Leasehold improvement	10%
Computer	33.3%
Furniture and office equipment	20%
Medical equipment	20%

The useful life of an asset, depreciation method and its residual value, if any, are reviewed annually.

The carrying amounts of plant and equipment are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised to the extent that the carrying amount of an asset, or the cash-generating unit to which it belongs, is more than its recoverable amount. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to income and expenditure account in the year in which the reversals are recognised.

##### (d) Credit losses from financial assets

The Association recognises a loss allowance for expected credit losses ("ECLs") on the financial assets measured at amortised cost (including other receivables and cash and cash equivalents).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the Association expects to receive), discounted at the original effective interest rate, where the effect of discounting is material.

## Youth Diabetes Action

### Notes to the financial statements (continued)

(Expressed in Hong Kong dollars)

#### 2 Significant accounting policies (continued)

##### (e) Investments in debt and equity securities

Investments in debt and equity securities are recognised/derecognised on the date of the Association commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Association determines fair value of financial instruments, see note 12. These investments are subsequently accounted for as follows, depending on their classification.

##### Investments other than equity investments

Non-equity investments held by the Association are classified into one of the following measurement categories:

- **amortised cost:** if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see the accounting policy for revenue recognition below).
- **FVOCI - recycling:** if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- **FVPL:** if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

##### Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purpose and on initial recognition of the investment the Association makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits/accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the accounting policy for revenue recognition set out below.

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## Youth Diabetes Action

### Notes to the financial statements (continued)

(Expressed in Hong Kong dollars)

#### 2 Significant accounting policies (continued)

##### (f) Receivables

A receivable is recognised when the Association has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortised cost using the effective interest method less allowance for expected credit losses (see note 2(d)).

##### (g) Payables

Payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

##### (h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and 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 of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses in accordance with the accounting policy set in note 2(d).

##### (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.

##### (j) Revenue recognition

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Association is expected to be entitled, excluding those amounts collected on behalf of third parties.

Further details of the Association's revenue and other income recognition policies are as follows:

- (i) General donations, when the amounts are received or in the periods as specified by the donors;
- (ii) Grant income and proceed from fund-raising activity is recognised on an accrual basis;
- (iii) Bank interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (iv) Dividend income from investments in equities is recognised when the share price of the investment goes ex-dividend.

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## **Youth Diabetes Action**

### **Notes to the financial statements (continued)**

(Expressed in Hong Kong dollars)

#### **2 Significant accounting policies (continued)**

##### **(j) Revenue recognition (continued)**

Further details of the Association's revenue and other income recognition policies are as follows: (continued)

- (v) Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Association will comply with the conditions attaching to them. Grants that compensate the Association for expenses incurred are recognised as other revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Association for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

##### **(k) Provision and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Association has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

##### **(l) Related parties**

- (a) A person, or a close member of that person's family, is related to the Association if that person:
  - (i) has control or joint control of the Association;
  - (ii) has significant influence over the Association; or
  - (iii) is a member of the key management personnel of the Association.

**Youth Diabetes Action**  
**Notes to the financial statements (continued)**

(Expressed in Hong Kong dollars)

**2 Significant accounting policies (continued)**

**(I) Related parties (continued)**

(b) An entity is related to the Association if any of the following conditions applies:

- (i) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.
- (ii) The entity is controlled or jointly controlled by a person identified in (a).
- (iii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.
- (iv) The entity provides key management personnel services to the Association.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**3 Fund-raising activities**

		2021 HKD	2020 HKD
<b>Income</b>	<b>Date</b>		
<b>Activities</b>			
Spring Fling	3 May 2019	-	2,773,909
Blue November	1 November 2019 to 30 November 2019	-	338,090
	1 November 2020 to 30 November 2020	<u>156,584</u>	-
		<u>156,584</u>	<u>3,111,999</u>
<b>Expenditure</b>	<b>Date</b>		
<b>Activities</b>			
Spring Fling	3 May 2019	-	784,545
Blue November	1 November 2019 to 30 November 2019	-	114,946
	1 November 2020 to 30 November 2020	<u>73,301</u>	-
		<u>73,301</u>	<u>899,491</u>

The net amounts of income and expenditure of these fund-raising activities have been used to support the activities of the Association.

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**Youth Diabetes Action**  
**Notes to the financial statements (continued)**  
(Expressed in Hong Kong dollars)

**4 Grants**

	2021 HKD	2020 HKD
The Community Chest	1,182,200	730,220
Government grants	314,593	-
Others	<u>863,227</u>	<u>339,550</u>
	<u>2,360,020</u>	<u>1,069,770</u>

These amounts represented the government grants and funds received from corporations, trusts and foundations to sponsor activities and the financial assistance programme of the Association.

In 2021, the Association successfully applied for funding support of HKD314,593 from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Government from 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, the Association is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the approved list of the employees.

**5 Interest and dividend income**

	2021 HKD	2020 HKD
Dividend income	30,527	36,707
Interest income on certificate of deposits	17,348	26,661
Bank interest income	<u>135</u>	<u>5,013</u>
	<u>48,010</u>	<u>68,381</u>

**6 Taxation**

The Association is exempt from any tax under Section 88 of the Inland Revenue Ordinance by reason of being a charitable organisation.

**Youth Diabetes Action**  
**Notes to the financial statements (continued)**  
 (Expressed in Hong Kong dollars)

**7 Surplus and total comprehensive income for the year**

Surplus for the year is arrived at after charging:

	2021 HKD	2020 HKD
Depreciation	198,256	200,918
Write-off of property, plant and equipment	-	5,471
Staff costs (including salaries, MPF)		
Fund-raising activities	63,848	163,980
Counselling services	365,577	353,680
Care support programme	434,986	426,608
Educational and community Activity	425,424	444,539
Financial and medical support	206,761	218,873
Management and administrative	<u>135,575</u>	<u>137,025</u>
Total staff costs	<u>1,632,171</u>	<u>1,744,705</u>

No councillors or their respective representatives received any fees or other emoluments in respect of their services rendered to the Association during the year (2020: HKDNil).

The honorary auditor neither receive nor charge any fees in respect of their services rendered during the year (2020: HKDNil).

**Youth Diabetes Action**  
**Notes to the financial statements (continued)**  
(Expressed in Hong Kong dollars)

**8 Property, plant and equipment**

	Leasehold land and building HKD	Leasehold improvements HKD	Computer HKD	Furniture and office equipment HKD	Medical equipment HKD	Total HKD
<b>Costs:</b>						
At 1 April 2019	5,431,887	1,081,645	48,786	113,708	48,500	6,724,526
Additions	-	-	-	1,899	-	1,899
Written off	-	-	-	(11,800)	-	(11,800)
At 31 March 2020 and 1 April 2020	5,431,887	1,081,645	48,786	103,807	48,500	6,714,625
Additions	-	-	43,717	3,498	-	47,215
At 31 March 2021	5,431,887	1,081,645	92,503	107,305	48,500	6,761,840
<b>Accumulated depreciation:</b>						
At 1 April 2019	249,742	460,427	39,001	60,362	48,500	858,032
Charge for the year	62,436	108,164	7,419	22,899	-	200,918
Written off	-	-	-	(6,329)	-	(6,329)
At 31 March 2020 and 1 April 2020	312,178	568,591	46,420	76,932	48,500	1,052,621
Charge for the year	62,436	108,164	6,837	20,819	-	198,256
At 31 March 2021	374,614	676,755	53,257	97,751	48,500	1,250,877
<b>Net book value:</b>						
At 31 March 2021	5,057,273	404,890	39,246	9,554	-	5,510,963
At 31 March 2020	5,119,709	513,054	2,366	26,875	-	5,662,004

Land and buildings are situated in Hong Kong and held under medium-term lease.

**9 Financial assets at fair value through other comprehensive income**

	Note	2021 HKD	2020 HKD
<b>Equity instruments</b>			
Exchange traded Fund listed in Hong Kong	(ii)	1,892,690	1,286,748
<b>Debt instruments</b>			
Certificate of deposits listed in Hong Kong	(iii)	-	1,487,210
Bond fund registered in overseas		1,485,000	-
		<u>3,377,690</u>	<u>2,773,958</u>

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**Youth Diabetes Action**  
**Notes to the financial statements (continued)**

(Expressed in Hong Kong dollars)

**9 Financial assets at fair value through other comprehensive income (continued)**

- (i) The Association designated its investments in exchange traded fund, certificate of deposits and bond fund at FVOCI, as the investments are held for strategic purposes.
- (ii) Dividend income of HKD30,527 (2020: HKD36,707) was received on this investment during the year ended 31 March 2021.
- (iii) The maturity date of the certificate of deposits is within 12 months after the reporting period.

The movement in investments in financial assets at FVOCI are summarised as follows:

	HKD
At 1 April 2019	3,008,521
Additions	1,500,000
Maturity	(1,500,000)
Change in fair value	<u>(234,563)</u>
At 31 March 2020 and 1 April 2020	2,773,958
Additions	1,485,000
Maturity	(1,500,000)
Change in fair value	<u>618,732</u>
At 31 March 2021	<u>3,377,690</u>

**10 Donation received in advance**

These amounts represented the donation received in advance specified for supporting the activities in the following year.

**11 Capital and reserves**

**(a) Capital**

The Association is limited by guarantee and does not have a share capital. In accordance with the article 7 of the Association's Articles of Association, every member shall, in the event of the Association being wound up, contribute such amount as may be required to meet the liabilities, but not exceeding HKD10 each.

**(b) Designated fund**

Designated fund represents funds allocated or designated for specific purpose according to the wishes of donors.

**(c) Development fund**

Development fund represents funds allocated for commitment towards long-term development work to promote effective diabetes management and increase to public awareness about diabetes.

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## **Youth Diabetes Action**

### **Notes to the financial statements (continued)**

(Expressed in Hong Kong dollars)

#### **11 Capital and reserves (continued)**

(d) Operating fund

Operating fund represents funds for all other unspecified purpose.

(e) Capital reserve

Capital reserve represents the fixed capital maintained.

(f) Fair value reserve

The fair value reserve comprises the cumulative net change in financial assets at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policies in note 2(e).

#### **12 Financial risk management and fair values**

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Association's activities. The Association is also exposed to equity price risk arising from its investment in equity securities.

These risks are limited by the Association's financial risk management policies and practices described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association. The Association's credit risk is primarily attributable to cash and cash equivalents.

The Association's exposure to credit risk arising from cash and cash equivalents is limited because the counterparty is a financial institution that has sound credit rating.

(b) Liquidity risk

The Association's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet such requirements in the short and longer term.

(c) Interest rate risk

As the Association has no significant interest-bearing assets and liabilities. The Association's operating results and cash flows are substantially independent of changes in market interest rate.

## Youth Diabetes Action

### Notes to the financial statements (continued)

(Expressed in Hong Kong dollars)

#### 12 Financial risk management and fair values (continued)

##### (d) Foreign currency risk

The Association is not exposed to significant currency risk as most of its income and expenses are denominated in the functional currency of the operations to which they relate.

##### (e) Equity price risk

The Association is exposed to equity price changes arising from equity instruments classified as financial asset at FVOCI (see note 9). These investments held by the Association are listed or quoted in an active market.

All investments have been chosen based on their long term growth potential, which are monitored regularly by the councillors of the Association for performance against expectations.

At 31 March 2021, it is estimated that an increase/decrease of 5% in the equity price of relevant investment, with all other variables held constant, would have favourably/unfavourably affect the Association's total comprehensive income and fair value reserve (non-recycling) of approximately HKD95,000 (2020: HKD64,000).

##### (f) Fair values

The Association classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All the financial assets at fair value through other comprehensive income held by the Association at the end of the reporting period were classified as level 1. There were no transfers between levels for the years ended 31 March 2021 and 2020.

The carrying amounts of the Association's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 31 March 2021 and 2020.

## Youth Diabetes Action

### Notes to the financial statements (continued)

(Expressed in Hong Kong dollars)

**13 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2021**

Up to issue date of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2021 and which have not been adopted in these financial statements.

The Association is assessing the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that their adoption will not have a significant impact on the Association's financial statements.