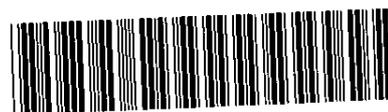


Time Auction Limited

Financial statements for the year ended 31 December 2020



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Report of the directors

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

Principal place of operation

Time Auction Limited (“the Company”) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of operation at 13/F, Causeway Bay Commercial Building, 1 - 5 Sugar Street, Causeway Bay, Hong Kong.

Principal activities

The Company is a charitable organisation set up with the primary goal of advocating volunteerism and encourages volunteering with inspiring experiences while connecting skilled-volunteers with non-governmental organisations.

State of affairs and appropriations

The results of the Company for the year ended 31 December 2020 and the state of the Company’s affairs as at that date are set out in the financial statements on pages 6 to 15.

Business review

According to s388(3) of the Companies Ordinance, the Company is exempted from preparing a business review.

Share capital

The Company was incorporated under the laws of Hong Kong as a company limited by guarantee and not having a share capital. The details of the liability of its members are set out in note 12 to the financial statements.

Directors

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

LEE Aaron Ho Ting
LEUNG Sing Man Sandra
WONG Suet Yi

Directors' interests in transactions, arrangements or contracts

No transaction, arrangement or contract of significance to which the Company was a party, and in which directors of the Company had a material interest, subsisted at the end of the year or at any time during the year.

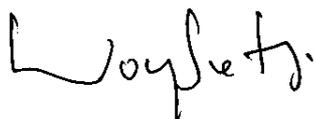
Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Auditor

Jack H.W. Ng CPA Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Jack H.W. Ng CPA Limited as the auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



WONG Suet Yi
Director
Hong Kong, 26 August 2021

Independent auditor's report to the members of
Time Auction Limited

(Incorporated in Hong Kong limited by guarantee)

Opinion

We have audited the financial statements of Time Auction Limited ("the Company") set out on pages 6 to 15, which comprise the statement of financial position as at 31 December 2020, the statement of profit and loss, statement of changes in accumulated 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 Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended 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 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 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.

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 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 to the members of
Time Auction Limited (continued)

(Incorporated in Hong Kong limited by guarantee)

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

The directors are responsible for the preparation of the financial statements in accordance with the 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 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 either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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 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.

Independent auditor's report to the members of
Time Auction Limited (continued)

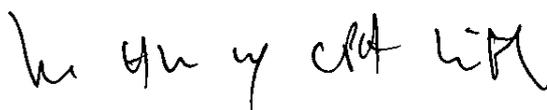
(Incorporated in Hong Kong limited by guarantee)

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

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



Jack H.W. Ng CPA Limited

2nd Floor, Tai Yip Building
141 – 149 Thomson Road
Wan Chai
Hong Kong, 26 August 2021

Statement of profit and loss
for the year ended 31 December 2020
(Expressed in Hong Kong dollars)

	Note	31 December 2020 \$	Period from 1 April 2019 to 31 December 2019 \$
Revenue	3	2,084,073	637,893
Other income	4	54,020	817
Administrative and other operating expenses	5	<u>(1,698,075)</u>	<u>(661,518)</u>
Surplus/(deficit) before tax		440,018	(22,808)
Income tax		<u>-</u>	<u>-</u>
Surplus/(deficit) for the year/period		<u><u>440,018</u></u>	<u><u>(22,808)</u></u>

The notes on pages 10 to 15 form part of these financial statements.

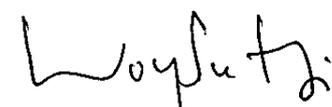
Statement of financial position at 31 December 2020

(Expressed in Hong Kong dollars)

	<i>Note</i>	2020	2019
		\$	\$
Current assets			
Prepayments and other receivables		11,868	-
Cash and cash equivalents		<u>1,180,485</u>	<u>745,354</u>
		1,192,353	745,354
Current liabilities			
Accrued expenses		32,631	25,650
Amount due to a director	8	<u>5,403</u>	<u>5,403</u>
		38,034	31,053
Net current assets		<u>1,154,319</u>	<u>714,301</u>
Net assets		<u>1,154,319</u>	<u>714,301</u>
Represented by:			
Accumulated funds		<u>1,154,319</u>	<u>714,301</u>

Approved and authorised for issue by the board of directors on 26 August 2021.


LEE Aaron Ho Ting


WONG Suet Yi

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The notes on pages 10 to 15 form part of these financial statements.

Statement of changes in accumulated funds
for the year ended 31 December 2020
(Expressed in Hong Kong dollars)

	<i>Accumulated funds \$</i>
Balance at 1 April 2019	737,109
Change in accumulated funds Deficit for the period	<u>(22,808)</u>
Balance at 31 December 2019 and 1 January 2020	714,301
Change in accumulated funds Surplus for the year	<u>440,018</u>
Balance at 31 December 2020	<u><u>1,154,319</u></u>

The notes on pages 10 to 15 form part of these financial statements.

Statement of cash flows
for the year ended 31 December 2020
(Expressed in Hong Kong dollars)

	<i>31 December 2020</i>	<i>Period from 1 April 2019 to 31 December 2019</i>
	\$	\$
Operating activities		
Surplus/(deficit) for the year/period	440,018	(22,808)
Adjustment for:		
Bank interest income	(20)	(817)
Changes in working capital		
(Increase)/decrease in prepayments and other receivables	(11,868)	6,502
Increase/(decrease) in accrued expenses	6,981	(40,487)
Decrease in amount due to a director	-	(6,894)
	<u>435,111</u>	<u>(64,504)</u>
Cash generated from/(used in) operations		
	<u>435,111</u>	<u>(64,504)</u>
Net cash generated from/(used in) operating activities	<u>435,111</u>	<u>(64,504)</u>
Investing activities		
Bank interest received	<u>20</u>	<u>817</u>
Net cash generated from investing activities	<u>20</u>	<u>817</u>
Net increase/(decrease) in cash and cash equivalents	435,131	(63,687)
Cash and cash equivalents at the beginning of the year/period	<u>745,354</u>	<u>809,041</u>
Cash and cash equivalents at the end of the year/period	<u><u>1,180,485</u></u>	<u><u>745,354</u></u>

The notes on pages 10 to 15 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Purpose of the Company

Time Auction Limited (the “Company”) was incorporated on 9 December 2016 as a company limited by guarantee.

The Company is a charitable organisation set up with the primary goal of advocating volunteerism and encourages volunteering with inspiring experiences while connecting skilled-volunteers with non-governmental organisations.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (“HKFRS for Private Entities”) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the financial statements is historical cost.

Pursuant to a resolution of the board of directors, the Company changed their financial year end date from 31 March to 31 December starting from the previous financial period covered a nine-month period from 1 April 2019 to 31 December 2019. Accordingly, the current financial period covers a twelve-month period from 1 January 2020 to 31 December 2020. The comparative figures may not be comparable with amounts shown for current period.

The following are the significant accounting policies that are necessary for a proper understanding of the financial statements:

(b) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

- (i) General donation is recognised when cash is received up to the end of the reporting year;
- (ii) Donation from event is recognised on a time-apportioned basis; and
- (iii) Interest income is recognised as it accrues using the effective interest method.

(c) Prepayments and other receivables

Prepayments and other receivables are stated at estimated realisable value.

(d) Accruals

Accruals 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.

2 Significant accounting policies (continued)

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, time deposits 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.

(f) *Leases*

Leases that transfer substantially all the rewards and risks of ownership of assets to the company are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of profit and loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the statement of profit and loss on a straight-line basis over the lease term.

(g) *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.

(h) *Related parties*

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

2 Significant accounting policies (continued)

(h) Related parties (continued)

- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (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 (or of a parent of the entity).

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 Revenue

Revenue represents general and event donations. The amount of donations received during the year is as follows:

	<i>31 December 2020</i>	<i>Period from 1 April 2019 to 31 December 2019</i>
	\$	\$
General donations	2,059,372	557,806
Event donations	<u>24,701</u>	<u>80,087</u>
	<u>2,084,073</u>	<u>637,893</u>

4 Other income

	<i>31 December 2020</i>	<i>Period from 1 April 2019 to 31 December 2019</i>
	\$	\$
Bank interest income	20	817
Sundry income	<u>54,000</u>	<u>-</u>
	<u>54,020</u>	<u>817</u>

Sundry income represents wage subsidies under the Employment Support Scheme launched by the HKSAR Government.

5 Surplus/(deficit) for the year/period

Surplus/(deficit) for the year/period is arrived at after charging:

	<i>31 December 2020</i>	<i>Period from 1 April 2019 to 31 December 2019</i>
	\$	\$
(a) Staff costs:		
Contributions to defined contribution retirement plan	42,762	21,141
Salaries, wages and other benefits	<u>1,083,340</u>	<u>464,628</u>
	<u>1,126,102</u>	<u>485,769</u>
(b) Other items:		
Exchange loss	<u>389</u>	<u>-</u>
Operating lease charges: minimum lease payments	<u>48,000</u>	<u>-</u>
Auditor's remuneration	<u>10,000</u>	<u>10,000</u>

6 Directors' remuneration

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies Ordinance (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	<i>31 December 2020</i>	<i>Period from 1 April 2019 to 31 December 2019</i>
	\$	\$
Fees	-	-
Other emoluments	-	-
Employer's contribution to MPF scheme	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

7 Income tax expense

The Company is exempted from Hong Kong Profits Tax under Section 88 of the Hong Kong Inland Revenue Ordinance.

8 Amount due to a director

Amount due to a director is unsecured, interest-free and has no fixed repayment terms.

9 Capital management

The Company's objective is to establish and maintain as a non-profit-making entity. The Company is not subject to externally imposed capital requirements.

The accumulated funds of the Company are managed according to the financial management guidelines and procedures of the Company in meeting the objective of the Company with the view of safeguarding the Company's ability to continue as a going concern.

10 Material related party transactions

(a) Transactions with key management personnel

All members of key management personnel are directors of the Company, and the remuneration is disclosed in note 6.

(b) Transactions with related parties

During the year, the Company entered into the following material related party transactions:

	<i>31 December 2020</i>	<i>Period from 1 April 2019 to 31 December 2019</i>
	\$	\$
Donations received from the director	348,000	82,555
	<u> </u>	<u> </u>
Rental expense to a related company	48,000	-
	<u> </u>	<u> </u>

No outstanding balance arises from the above transactions at the end of the year (2019: Nil).

11 Commitments under operating leases

The company had the following total future minimum lease payments payable under non-cancellable operating leases:

	<i>31 December 2020</i>	<i>Period from 1 April 2019 to 31 December 2019</i>
	\$	\$
Not later than one year	48,000	-
Later than one year	<u>48,000</u>	<u>-</u>
	<u>96,000</u>	<u>-</u>

12 Liability of members

Under the provisions of the Company's articles of association, every member shall, in the event of the Company being wound up, contribute such amount as may be required to meet the liabilities of the Company but not exceeding \$500 per member.

Detailed statement of income and expenditure for the year ended 31 December 2020

(For management purpose only)

	2020 HK\$
Revenue	
Donations received	2,084,073
Sundry income	54,000
Bank interest income	<u>20</u>
Total income	2,138,093
Expenditure	
Accounting fee	10,000
Advertising and marketing expenses	179,800
Audit fee	10,000
Bank interest and charges	8,580
Entertainment	2,480
Event cost	19,105
Exchange loss	389
Insurance	22,888
Legal and professional fee	18,720
MPF contribution	42,762
Office expenses	6,438
Postage and courier	1,025
Printing and stationery	6,719
Rental expense	48,000
Salaries	1,025,290
Secretarial fee	4,460
Subscription	17,111
Telephone and internet expenses	16,930
Wages - intern	58,050
Website development and maintenance	<u>199,328</u>
Total expenditure	<u>1,698,075</u>
Surplus for the year	<u><u>440,018</u></u>