

# Kids4Kids Limited

Reports and Financial Statements  
For the year ended 31 March 2021

CERTIFIED TRUE COPY



Director



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**Kids4Kids Limited**  
**Reports and Financial Statements**  
**For the year ended 31 March 2021**

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**Kids4Kids Limited**  
**(Incorporated in Hong Kong and limited by guarantee)**  
**Directors' report**

The directors present their annual report together with the audited financial statements of Kids4Kids Limited (the "Foundation") for the year ended 31 March 2021.

**Principal activities**

The Foundation is a charitable organisation limited by guarantee. The principal activities of the Foundation are to educate and promote a sense of social responsibility in young people.

**Directors**

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

Michele LAI Pek Lian  
Shirley HUNG Swat Ling  
Kyran SZE  
Anita LEUNG Ping Fun  
Jack LEE Ka Ho  
Anne Elizabeth VAUGHAN  
Diana Sarah FOOTITT

There being no provision in the Foundation's articles of association in connection with the retirement of directors, all directors shall continue in office for the following year.

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

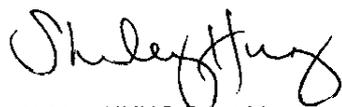
**Indemnity of directors**

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Foundation is currently in force and was in force throughout this year.

**Auditors**

A resolution to re-appoint PKF Hong Kong Limited as auditor of the Foundation will be proposed at the forthcoming annual general meeting.

On behalf of the board



Shirley HUNG Swat Ling  
Director

22 DEC 2021

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**Independent auditor's report to the members of  
Kids4Kids Limited  
(Incorporated in Hong Kong and limited by guarantee)**

**Opinion**

We have audited the financial statements of Kids4Kids Limited (the "Foundation") set out on pages 5 to 20, which comprise the statement of financial position as at 31 March 2021, and the statement of income and expenditure and other comprehensive income, statement of changes in fund 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 Foundation's financial position as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 issued by the Hong Kong Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the "Auditor's responsibilities" section of our report. We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants (the "Code") issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The directors are responsible for the other information which comprises the information included in the directors' report of the Foundation for the year ended 31 March 2021.

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  
Kids4Kids Limited  
(Incorporated in Hong Kong and limited by guarantee)**

**Directors' responsibilities 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Foundation's financial reporting process.

**Auditor's responsibilities**

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 Hong Kong Standards on Auditing 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 Hong Kong Standards on Auditing, 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.
- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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**Independent auditor's report to the members of  
Kids4Kids Limited  
(Incorporated in Hong Kong and limited by guarantee)**

**Auditor's responsibilities (cont'd)**

- 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 Foundation'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 Foundation 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement director on the audit resulting in this independent auditor's report is Lam Kar Bo (Practising Certificate Number: P05453).

PKF Hong Kong Limited  
Certified Public Accountants  
Hong Kong

22 DEC 2021

PKF Hong Kong Limited  
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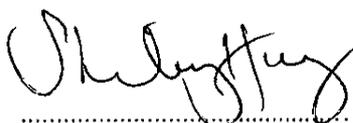
**Kids4Kids Limited**  
**Statement of income and expenditure and other comprehensive income**  
**For the year ended 31 March 2021**

	<i>Note</i>	<b>2021</b> <i>HK\$</i>	<b>2020</b> <i>HK\$</i>
<b>Revenue</b>			
Fundraising income		215,372	4,023
General donation		3,083,455	2,224,656
Sales of products		<u>2,220</u>	<u>24,610</u>
		<b>3,301,047</b>	<b>2,253,289</b>
<b>Cost of sales</b>		<u>(925)</u>	<u>(7,597)</u>
		<b>3,300,122</b>	<b>2,245,692</b>
<b>Other revenue</b>		279,034	48,947
<b>Expenditure</b>			
Programme expenses		(2,266,956)	(2,970,098)
Administrative expenses		<u>(1,951,874)</u>	<u>(848,815)</u>
<b>Deficit and total comprehensive loss for the year</b>	<b>4</b>	<u><b>(639,674)</b></u>	<u><b>(1,524,274)</b></u>

**Kids4Kids Limited**  
**Statement of financial position**  
**As at 31 March 2021**

	Note	2021 HK\$	2020 HK\$
<b>Non-current asset</b>			
Property, plant and equipment	7	20,466	33,601
Intangible assets	8	<u>13,417</u>	<u>-</u>
		<u>33,883</u>	<u>33,601</u>
<b>Current assets</b>			
Inventories	9	-	16,925
Trade and other receivables	10	955,445	901,892
Cash and cash equivalents		<u>4,940,070</u>	<u>5,930,943</u>
		<u>5,895,515</u>	<u>6,849,760</u>
<b>Current liabilities</b>			
Trade and other payables		55,163	91,008
Contract liabilities	11	274,121	767,521
Deferred income	12	<u>2,549,530</u>	<u>2,334,574</u>
		<u>2,878,814</u>	<u>3,193,103</u>
<b>Net current assets</b>		<u>3,016,701</u>	<u>3,656,657</u>
<b>Net assets</b>		<u>3,050,584</u>	<u>3,690,258</u>
<b>Represented by:</b>			
Fund	13	<u>3,050,584</u>	<u>3,690,258</u>

Approved and authorised for issue by the board of directors on 22 DEC 2021



Shirley HUNG Swat Ling  
 Director



Kyran SZE  
 Director

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**Kids4Kids Limited**  
**Statement of changes in fund**  
**For the year ended 31 March 2021**

	Note	Operating fund HK\$	Literacy Development			Youth Development			Total HK\$
			Code + Create HK\$	Buddy Reading HK\$	My Story Creation HK\$	Action For A Cause HK\$	Powered By Youth HK\$	Powered By Service HK\$	
At 1.4.2019		6,749,218	(10,116)	108,333	(628,834)	(628,896)	(736,441)	361,268	5,214,532
Deficit and total comprehensive loss for the year	13	(160,676)	(108,682)	(301,410)	(499,792)	(194,917)	(250,051)	(8,746)	(1,524,274)
At 31.3.2020 and 1.4.2020		6,588,542	(118,798)	(193,077)	(1,128,626)	(823,813)	(986,492)	352,522	3,690,258
Deficit and total comprehensive loss for the year	13	(579,895)	(104,750)	122,656	23,366	(4,064)	108,789	(205,776)	(639,674)
At 31.3.2021		<u>6,008,647</u>	<u>(223,548)</u>	<u>(70,421)</u>	<u>(1,105,260)</u>	<u>(827,877)</u>	<u>(877,703)</u>	<u>146,746</u>	<u>3,050,584</u>

**Kids4Kids Limited**  
**Statement of cash flows**  
**For the year ended 31 March 2021**

	2021 HK\$	2020 HK\$
<b>Cash flows from operating activities</b>		
Deficit for the year	(639,674)	(1,524,274)
Adjustments for:		
Bank interest income	(11,295)	(29,259)
Depreciation	14,329	19,667
Amortisation	583	-
Inventories written-down	<u>82,399</u>	<u>-</u>
Operating deficit before working capital changes	(553,658)	(1,533,866)
Changes in working capital:		
Trade and other receivables	(53,553)	(123,707)
Inventories	(65,474)	7,596
Trade and other payables	(35,845)	20,970
Contract liabilities	(493,400)	767,521
Deferred income	<u>214,956</u>	<u>2,206,163</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(986,974)</u>	<u>1,344,677</u>
<b>Cash flows from investing activities</b>		
Interest received	11,295	29,259
Payments to acquire property, plant and equipment	(1,194)	(7,699)
Payments to acquire intangible assets	<u>(14,000)</u>	<u>-</u>
<b>Net cash (used in)/generated from investing activities</b>	<u>(3,899)</u>	<u>21,560</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(990,873)	1,366,237
<b>Cash and cash equivalents as at beginning of year</b>	<u>5,930,943</u>	<u>4,564,706</u>
<b>Cash and cash equivalents as at end of year</b>	<u>4,940,070</u>	<u>5,930,943</u>
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at banks and on hand	<u>4,940,070</u>	<u>5,930,943</u>

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**Kids4Kids Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**1. General Information**

Kids4Kids Limited (the "Foundation") is incorporated in Hong Kong and limited by guarantee. The address of its registered office is 16A-D, Tak Lee Commercial Building, 113-117 Wan Chai Road, Hong Kong.

The principal activities of the Foundation are to educate and promote a sense of social responsibility in young people.

**2. Basis of preparation**

(a) Compliance with Hong Kong Financial Reporting Standards

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as "Hong Kong Financial Reporting Standards").

(b) Initial application of Hong Kong Financial Reporting Standards

In the current year, the Foundation initially applied the following Hong Kong Financial Reporting Standards:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The initial application of these financial reporting standards does not necessitate material changes in the Foundation's accounting policies and retrospective adjustments of the comparatives presented in the financial statements.

(c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards in issue at 31 March 2021 have not been applied in the preparation of these financial statements since they were not yet effective for the annual period beginning on 1 April 2020:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>3</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>3</sup>
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract <sup>3</sup>
Annual Improvements to HKFRSs 2019-2020 Cycle	Amendments to HKFRS 1, HKFRS 9 and HKAS 41 and Illustrative Examples accompanying HKFRS 16 <sup>3</sup>

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**Kids4Kids Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**2. Basis of preparation (cont'd)**

(c) Hong Kong Financial Reporting Standards in issue but not yet effective (cont'd)

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>

- <sup>1</sup> Effective for the Foundation's annual periods beginning on or after 1 June 2020  
<sup>2</sup> Effective for the Foundation's annual periods beginning on or after 1 April 2021  
<sup>3</sup> Effective for the Foundation's annual periods beginning on or after 1 April 2022  
<sup>4</sup> Effective for the Foundation's annual periods beginning on or after 1 April 2023  
<sup>5</sup> Effective for the Foundation's annual periods beginning on or after a date to be determined

**3. Significant accounting policies**

(a) Measurement basis

These financial statements have been prepared on the historical cost basis.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Foundation and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

General donation is recognised when the Foundation becomes entitled to the donations and it is probable that they will be received, which is generally upon receipt of cash, or on an accrual basis under sponsorship agreements.

Fundraising income is deferred in the statement of financial position initially when the Foundation assessed that they will be received and that the Foundation will comply with the conditions, if any, attached to them. Fundraising income is recognised as income in the statement of income and expenditure and other comprehensive income on a systematic basis, upon fulfilment of the conditions (if any), in the same periods in which the expenses are incurred.

Interest income is recognised as it accrues using the effective interest method.

Revenue from sales of books is recognised when books are delivered at the customers' premises which are taken to be the point in time when control over the goods is transferred to the customer.

Service income is recognised when the services are rendered.

Government grants relating to expense items are recognised as income in profit or loss on a systematic basis over the periods that the costs, which are intended to compensate, are expensed.

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**Kids4Kids Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**3. Significant accounting policies (cont'd)**

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Furniture and fixtures	- 3 - 5 years
Equipment	- 3 - 5 years
Leasehold improvements	- 2 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, annually.

The asset's carrying amounts are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds 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 the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

The gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss on the date of retirement or disposal.

(d) Intangible assets

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Foundation has sufficient resources and the intention to complete development. The expenditure capitalised includes the direct labour and other related expenses. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. Other development expenditure is recognised as an expense in the period in which it is incurred.

Intangible assets relate to website development with finite useful lives and are stated at cost less accumulated amortisation and any accumulated impairment losses. They are amortised and charged to profit or loss over their estimated useful lives of 3 to 5 years using straight-line method from the date they are available for use. Both the period and method of amortisation are reviewed annually.

**Kids4Kids Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**3. Significant accounting policies (cont'd)**

(d) Intangible assets (cont'd)

The carrying amounts of intangible assets are reviewed for indications of impairment at the end of each reporting period. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds 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 the time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

(f) Receivables and expected credit loss

A receivable is recognised when the Foundation 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. If revenue has been recognised before the Foundation has an unconditional right to receive consideration, the amount is presented as a contract asset. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

The loss allowance is measured at an amount equal to lifetime expected credit losses (ECLs), which are those losses that are expected to occur over the expected life of the trade receivables. The loss allowance is estimated using a provision matrix based on the Foundation's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Foundation recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of trade and other receivables through a loss allowance account.

The gross carrying amount of a trade debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Foundation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(g) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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**Kids4Kids Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**3. Significant accounting policies (cont'd)**

(h) Cash equivalents

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(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) Related parties

(i) A person or a close member of that person's family is considered to be related to the Foundation if that person:

- (a) has control or joint control over the Foundation;
- (b) has significant influence over the Foundation; or
- (c) is a member of the key management personnel of the Foundation or of a parent of the Foundation.

(ii) An entity is related to the Foundation if any of the following conditions applies:

- (a) The entity and the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (b) One entity is an associate or a joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (c) Both entities are joint ventures of the same third party;
- (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (e) The entity is a post-employment benefit plan for the benefit of employees of either the Foundation or an entity related to the Foundation;
- (f) The entity is controlled or jointly controlled by a person identified in (i) above;
- (g) A person identified in (i)(a) above 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); and
- (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Foundation or to the parent of the Foundation.

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.

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**Kids4Kids Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

<b>4. Deficit and total comprehensive loss for the year</b>	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Deficit and total comprehensive loss for the year is arrived at after charging/(crediting):		
Bad debt written-off	-	2,795
Cost of inventories sold	925	7,597
Inventories written-down	82,399	78,495
Depreciation	14,329	19,667
Amortisation	583	-
Service income (included in other revenue)	(12,000)	(2,443)
Government grants	(235,500)	-
Staff costs:		
- Salaries and other benefits	3,238,669	2,369,266
- Contributions to defined contribution retirement plan	105,913	64,118
	3,344,582	2,433,384

**5. Directors' remuneration**

No directors' remuneration as disclosed pursuant to section 383 of the Hong Kong Companies Ordinance was paid or payable for both years.

**6. Income tax**

No provision for Hong Kong profits tax has been made in these financial statements as the Foundation is an approved charitable institution and is exempted from taxation under section 88 of the Hong Kong Inland Revenue Ordinance.

**7. Property, plant and equipment**

	<i>Furniture and fixtures</i>	<i>Equipment</i>	<i>Leasehold improvements</i>	<i>Total</i>
	HK\$	HK\$	HK\$	HK\$
Cost:				
At 1.4.2020	17,935	64,876	38,900	121,711
Additions	-	1,194	-	1,194
<b>At 31.3.2021</b>	<b>17,935</b>	<b>66,070</b>	<b>38,900</b>	<b>122,905</b>
Accumulated depreciation:				
At 1.4.2020	6,199	43,011	38,900	88,110
Charge for the year	3,909	10,420	-	14,329
<b>At 31.3.2021</b>	<b>10,108</b>	<b>53,431</b>	<b>38,900</b>	<b>102,439</b>
Net book value:				
<b>At 31.3.2021</b>	<b>7,827</b>	<b>12,639</b>	<b>-</b>	<b>20,466</b>

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**Kids4Kids Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2021**

**7. Property, plant and equipment (cont'd)**

	<i>Furniture and fixtures HK\$</i>	<i>Equipment HK\$</i>	<i>Leasehold improvements HK\$</i>	<i>Total HK\$</i>
Cost:				
At 1.4.2019	15,635	59,477	38,900	114,012
Additions	<u>2,300</u>	<u>5,399</u>	-	<u>7,699</u>
At 31.3.2020	<u>17,935</u>	<u>64,876</u>	<u>38,900</u>	<u>121,711</u>
Accumulated depreciation:				
At 1.4.2019	1,954	27,589	38,900	68,443
Charge for the year	<u>4,245</u>	<u>15,422</u>	-	<u>19,667</u>
At 31.3.2020	<u>6,199</u>	<u>43,011</u>	<u>38,900</u>	<u>88,110</u>
Net book value:				
At 31.3.2020	<u>11,736</u>	<u>21,865</u>	<u>-</u>	<u>33,601</u>

**8. Intangible assets**

	<i>Website development HK\$</i>
Cost	
At 1.4.2020	211,567
Additions	<u>14,000</u>
<b>At 31.3.2021</b>	<b><u>225,567</u></b>
Accumulated amortisation	
At 1.4.2020	211,567
Charge for the year	<u>583</u>
<b>At 31.3.2021</b>	<b><u>212,150</u></b>
Net book value	
<b>At 31.3.2021</b>	<b><u>13,417</u></b>
Cost	
At 1.4.2019 and 31.3.2020	211,567
Accumulated amortisation	
At 1.4.2019 and 31.3.2020	<u>211,567</u>
Net book value	
At 31.3.2020	<u>-</u>

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<b>9. Inventories</b>	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Finished goods	<u>-</u>	<u>16,925</u>
<b>10. Trade and other receivables</b>	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Trade receivables	621,200	516,392
Deposits and prepayments	<u>334,245</u>	<u>385,500</u>
	<u><b>955,445</b></u>	<u><b>901,892</b></u>

All of the trade and other receivables are expected to be recovered or recognised as expense within one year. Trade receivables are generally due within 30 days from the date of billing. Further details on the Foundation's credit policy are set out in note 15(a).

**11. Contract liabilities**

Contract liabilities represent the receipt in advance of fundraising income for programmes to be held by the Foundation and are recognised as income as the relevant activities are carried out which is generally within one year.

	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Fundraising income for programmes received in advance	<u>274,121</u>	<u>767,521</u>

Significant changes in the balances of contract liabilities during the year:

	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Decrease due to recognition of revenue during the year	(493,400)	-
Increase due to cash received during the year	<u>-</u>	<u>767,521</u>

**12. Deferred income**

Deferred income represent the receipt in advance of donation for programmes to be held by the Foundation and is recognised as income as the relevant activities are carried out which is generally within one year.

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**13. Fund**

The revenue and expenditure of the operating fund and other individual programmes for the year are as follows:

	2021							Total HK\$
	Operating fund HK\$	Literacy Development			Youth Development			
		Code + Create HK\$	Buddy Reading HK\$	My Story Creation HK\$	Action For A Cause HK\$	Powered By Youth HK\$	Powered By Service HK\$	
<b>Revenue</b>								
General donation	897,815	106,600	483,479	545,571	514,820	430,170	105,000	3,083,455
Fundraising income	215,372	-	-	-	-	-	-	215,372
Sales of products	-	-	-	2,220	-	-	-	2,220
Other revenue	260,160	-	-	18,874	-	-	-	279,034
<b>Expenditure</b>								
Cost of sales	-	-	-	(925)	-	-	-	(925)
Programme expenses	(1,368)	(211,350)	(360,823)	(542,374)	(518,884)	(321,381)	(310,776)	(2,266,956)
Administrative expenses	(1,951,874)	-	-	-	-	-	-	(1,951,874)
<b>Deficit for the year</b>	<b>(579,895)</b>	<b>(104,750)</b>	<b>122,656</b>	<b>23,366</b>	<b>(4,064)</b>	<b>108,789</b>	<b>(205,776)</b>	<b>(639,674)</b>

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**13. Fund (cont'd)**

	2020										Total HK\$
	Operating fund HK\$	Literacy Development			Youth Development			Powered By Youth HK\$	Powered By Service HK\$	Total HK\$	
Code + Create HK\$		Buddy Reading HK\$	My Story Creation HK\$	Action For A Cause HK\$	My Story Creation HK\$	Action For A Cause HK\$	Powered By Youth HK\$				Powered By Service HK\$
Revenue											
General donation	649,049	176,841	389,753	257,850	297,931	140,610	312,622				2,224,656
Fundraising income	4,023	-	-	-	-	-	-	-	-	-	4,023
Sales of products	-	-	3,300	21,310	-	-	-	-	-	-	24,610
Other revenue	36,266	-	-	12,681	-	-	-	-	-	-	48,947
Expenditure											
Cost of sales	-	-	(771)	(6,208)	-	-	(618)				(7,597)
Programme expenses	(1,199)	(285,523)	(693,692)	(785,425)	(492,848)	(390,661)	(320,750)				(2,970,098)
Administrative expenses	(848,815)	-	-	-	-	-	-				(848,815)
Deficit for the year	<u>(160,676)</u>	<u>(108,682)</u>	<u>(301,410)</u>	<u>(499,792)</u>	<u>(194,917)</u>	<u>(250,051)</u>	<u>(8,746)</u>				<u>(1,524,274)</u>

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**14. Capital management**

The Foundation's primary objective when managing capital is to safeguard the Foundation's ability to continue as a going concern.

The Foundation defines "capital" as including the fund maintained by the Foundation.

The Foundation's capital structure is regularly reviewed and adjustments are made to the capital structure in light of changes in economic conditions affecting the Foundation, to the extent that these do not conflict with the directors' fiduciary duties towards the Foundation or the requirements of the Hong Kong Companies Ordinance.

**15. Nature and extent of financial instrument risks**

Exposure to credit and liquidity risks arises in the normal course of the Foundation's operations. The Foundation's exposure to these risks and the financial risk management policies and practices used by the Foundation to manage these risks are 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 Foundation. The Foundation's credit risk is primarily attributable to trade receivables.

The Foundation's exposure to credit risk is influenced mainly by the individual characteristics of each donor. These take into account the donor's past payment history, financial position and other factors. Trade receivables are due within 30 days from the billing date. Normally, the Foundation does not obtain collateral from donors.

The Foundation measures loss allowances for trade receivables at an amount equal to lifetime ECLs. The Foundation concluded that the ECL allowance for the trade receivables is negligible, given the good repayment history of donors. Therefore, no loss allowance provision was recognised in respect of the trade and other receivables for the year ended 31 March 2021.

The Foundations' exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions for which the Foundation considers to have low credit risk.

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**15. Nature and extent of financial instrument risks (cont'd)**

(b) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. As the Foundation maintains sufficient liquid funds, the liquidity risk is considered limited.

The maturity profile of the Foundation's financial liabilities as at 31 March 2021, based on contractual undiscounted obligations, is as follows:

	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Trade and other payables	<u>55,163</u>	<u>91,008</u>
Due for payment within one year or on demand	<u>55,163</u>	<u>91,008</u>

(c) Fair value

The carrying amounts of the Foundation's financial assets and liabilities approximate their fair values due to the short-term maturity.

**16. Related party transactions**

The Foundation had the following transactions with its related parties during the year:

	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Donation from a close family member of a director	-	370,000
Donation from directors	500,800	270,000
Fundraising income from directors	11,000	-
Fundraising income from a close family member of a director	10,000	-
Sales of books to a director	270	3,510
Seed funding paid to a close family member of a director	<u>-</u>	<u>(2,500)</u>