

Report of the Directors
Audited Financial Statements

HK Shark Foundation Limited

31 December 2020

DKNT CPA LIMITED
Chartered Accountants
Certified Public Accountants



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HK SHARK FOUNDATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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HK SHARK FOUNDATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activities

The company is a non-profit making organization and its principal activities are shark ecology protection, conservation and public education.

Results and dividends

The financial statements are prepared in accordance with the provisions of section 359(1)(a) of the Companies Ordinance. The results for the year ended 31 December 2020 and the state of affairs of the company as at that date are set out on pages 6 to 11.

Share capital

The company was incorporated under the laws of Hong Kong as a company limited by guarantee and not having a share capital.

Directors

The directors who held office during the year were:

Au, Alan Tien-loong
Le Clue, Sophie Emma

In accordance with article 31.1(a) of the company's articles of association, the directors are appointed by ordinary resolution and hold office for an unlimited period of time, and in accordance with article 31.1(b) of the company's articles of association, all directors appointed by a decision of other directors shall retire from office and be eligible for re-election.

Permitted indemnity provision

Article 39(1) of the company's Articles provides that a director or former director of the Company may be indemnified out of the company's assets against any liability incurred by the director to a person other than the company or an associated company of the company in connection with any negligence, default, breach of duty or breach of trust in relation to the company or associated company (as the case may be). This Article only applies if the indemnity does not cover the liability set out in Article 39(2) of the company's Articles. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

Management contracts

The company has not entered into any contract whereby the management and administration of the whole or any substantial part of the company's business have been undertaken by a party other than the company's directors or employees.

Auditors

DKNT CPA Limited were appointed auditors to the company during the year, a resolution proposing their reappointment will be put to the Annual General Meeting.

HK SHARK FOUNDATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Approval of directors' report

This report was approved by the directors on 10 JUN 2021

On behalf of the Board



**Au, Alan Tien-loong
Chairman
Hong Kong**



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HK SHARK FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HK Shark Foundation Limited ("the Company") set out on pages 6 to 11, which comprise the statement of financial position as at 31 December 2020, and the income statement for the year ended 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") 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") and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard" 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 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. 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.

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 SME-FRS 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HK SHARK FOUNDATION LIMITED

(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the 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.
- 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.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HK SHARK FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability)

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.

DKNT CPA Limited
Certified Public Accountants

Lo, Wing Suen Aurelia
Practising Certificate Number: P06917
Hong Kong, 10 JUN 2021

HK SHARK FOUNDATION LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 <u>HK\$</u>	2019 <u>HK\$</u>
Income	4	249,339	271,682
Other income	5	1	262
Total income		<u>249,340</u>	<u>271,944</u>
Expenditure			
Cost of sales		-	(1,244)
Administrative expenses		(324,731)	(627,802)
Other operating expenses		-	(399)
(Deficit) from operations		<u>(75,391)</u>	<u>(357,501)</u>
Finance costs	6	(15)	-
(Deficit) before tax	7	<u>(75,406)</u>	<u>(357,501)</u>
Taxation	9	-	-
(Deficit) for the year		<u><u>(75,406)</u></u>	<u><u>(357,501)</u></u>

There are no recognised gains or losses other than the surplus or deficit for the above two financial years.

The notes on pages 8 to 11 form an integral part of these financial statements.

HK SHARK FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION

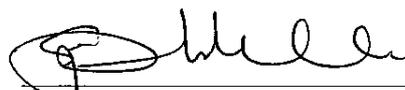
AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		HK\$	HK\$	HK\$	HK\$
Non-current assets					
Property, plant and equipment	10	-	-	-	-
Current assets					
Deposits and prepayments		2,300		2,300	
Other receivables		111,272		84,920	
Bank balances and cash		40,069		142,320	
			153,641		229,540
Less: Current liabilities					
Accruals		46,100		46,593	
			46,100		46,593
Net current assets			107,541		182,947
Total assets less current liabilities			107,541		182,947
Net assets			107,541		182,947
Equity					
General Fund	11		107,541		182,947

Approved on behalf of the Board by:



Au, Alan Tien-loong
Director



Le Clue, Sophie Emma
Director

The notes on pages 8 to 11 form an integral part of these financial statements.

HK SHARK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Reporting entity

HK Shark Foundation Limited is a company incorporated in Hong Kong with limited by guarantee. The company's registered office is located at Suite 2405, 9 Queen's Road Central, Hong Kong. The company is a non-profit making organization and its principal activities are shark ecology protection, conservation and public education.

1.1. Incorporation details and members' liability

The company was incorporated under the laws of Hong Kong on 11 February 2015 as a company limited by guarantee and not having a share capital. The company is not authorized to issue share capital. The liability of its member is limited to HK\$100 per member in the event of the company being wound up while he/she is a member, or within one year after he/she ceases to be a member.

2. Basis of preparation of financial statements

The company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

3. Significant accounting policies

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements.

3.1. 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:

Donations are recognised on receipt basis and on time proportion basis over the contract terms as appropriate.

Interest income from bank deposits is recognised on a time proportion basis taking into account the principal outstanding and at the interest applicable.

3.2. Foreign exchange

The reporting currency of the company is Hong Kong Dollars, which is the currency of the primary economic environment in which the company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

HK SHARK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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3.3. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Computer equipment - 33.33% straight line

3.4. Impairment

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

3.5. Other receivables

Other receivables are stated at estimated realisable value after each debt has been considered individually.

4. Income

	2020 HK\$	2019 HK\$
An analysis of the company's income is as follows:		
Donation received	<u>249,339</u>	<u>271,682</u>

5. Other income

	2020 HK\$	2019 HK\$
Bank interest received	<u>1</u>	<u>262</u>

6. Finance costs

	2020 HK\$	2019 HK\$
Bank interest paid on loans and o/d < 5 yrs	<u>15</u>	<u>-</u>

HK SHARK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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7. (Deficit) before tax		2020	2019
	Note	HK\$	HK\$
(Deficit) before tax is arrived at after charging:			
Depreciation of property, plant and equipment	10	-	399
Loss on foreign currency translation		9	-
		<u>9</u>	<u>-</u>

8. Directors' remuneration

The directors did not receive any remuneration in respect of their services rendered during the year.

9. Taxation

The Company is a charitable institution within the meaning of Section 88, Chapter 112 of the Inland Revenue Ordinance and, accordingly, is exempted from all Hong Kong taxes.

10. Property, plant and equipment

	Computer equipment	Total
	HK\$	HK\$
Cost		
At 1 January 2020 and At 31 December 2020	20,345	20,345
Accumulated depreciation		
At 1 January 2020 and At 31 December 2020	20,345	20,345
Net carrying amount		
At 31 December 2020	-	-
At 31 December 2019	-	-

HK SHARK FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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11. Changes in equity

	General fund HK\$	Total HK\$
At 1 January 2020	182,947	182,947
(Deficit) for the year	(75,406)	(75,406)
At 31 December 2020	<u>107,541</u>	<u>107,541</u>

12. Approval of financial statements

These financial statements were authorised for issue by the company's Board of Directors on **10 JUN 2021**