

FORGET THEE NOT LIMITED

毋忘愛有限公司

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2020



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10/06/2021

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Edward H. P. Lau

Certified Public Accountant (Practising)

FORGET THEE NOT LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31st July 2020.

PRINCIPAL ACTIVITY

The Association is established to promote the adoption of environmentally friendly funeral practices in Hong Kong that aim at reducing waste and pollution, minimizing the use of resources and encouraging the re-use of materials, based on the respect for life and the environment in Hong Kong.

RESULTS AND APPROPRIATIONS

The results of the Association for the year ended 31st July 2020 and its state of affairs at that date are set out in the financial statements on pages 6 to 15.

The directors do not recommend the payment of a dividend.

PLANT AND EQUIPMENT

Movements in plant and equipment are set out in note 7 to the financial statements.

DIRECTORS

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

Mr. FAN Ning
Mr. CHUNG Chi Keung
Mr. KO Wing Yin Albert
Mr. CHAN Cheong Wai

In accordance with Article 18 of the Association's Articles of Association, all the directors continue in office.

DIRECTORS' INTERESTS

Except for the related party transactions as disclosed in note 11 to the financial statements, no other contracts of significance in relation to the Association's business to which the Association was a party and in which a director of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

FORGET THEE NOT LIMITED

REPORT OF THE DIRECTORS (CONT'D)

PERMITTED INDEMNITY PROVISION

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

MANAGEMENT CONTRACTS

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

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Association issuing shares or that require the Association to enter into any agreements that will or may result in the Association issuing shares were entered into by the Association during the year or subsisted at the end of year.

BUSINESS REVIEW

The Association qualifies for reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622), therefore it is exempted from including a business review in this report.

OTHER MATTERS

Up to the date of this report, the directors are not aware of any circumstances or affairs not otherwise dealt with in the report and the annexed financial statements which would render any amount stated misleading or harmful to the business.

AUDITOR

During the year, Messrs. Lau Mak & Company, Certified Public Accountants (Practising) resigned and Mister Edward H.P. Lau Certified Public Accountant (Practising) was appointed as auditor of the Association to fill the casual vacancy. A resolution will be submitted to the forthcoming annual general meeting of the Association to re-appoint Mister Edward H.P. Lau, Certified Public Accountant (Practising) as auditor of the Association.

On Behalf of the Board

Mr. FAN Ning
Director

HONG KONG, 8th June 2021

Edward H. P. Lau

Certified Public Accountant (Practising)



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FORGET THEE NOT LIMITED
(incorporated in Hong Kong with limited liability by guarantee)**

Opinion

We have audited the financial statements of Forget Thee Not Limited (the "Association") set out on pages 6 to 15, which comprise the statement of financial position as at 31st July 2020, and the income statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with 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 Auditors' 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 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 auditors' 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.

Edward H. P. Lau

Certified Public Accountant (Practising)

INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF
FORGET THEE NOT LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the financial statements, which indicates that the Association's current liabilities exceeded its total assets by HK\$545,294. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 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 directors either intends 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.

Auditors' 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 auditors' report that includes our opinion. 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 judgement and maintain professional scepticism 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.

Edward H. P. Lau

Certified Public Accountant (Practising)

INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF
FORGET THEE NOT LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 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 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.

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.



Edward H. P. Lau
Certified Public Accountant (Practising)

Practising Certificate number: P06252

HONG KONG, 8th June 2021

FORGET THEE NOT LIMITED
 INCOME STATEMENT
 FOR THE YEAR 31ST JULY 2020

	Note	2020 HK\$	2019 HK\$
Revenue	3	457,538	201,271
Direct costs		(120,271)	(23,980)
Gross profit		<u>337,267</u>	<u>177,291</u>
Other income	3	14,800	62,732
		<u>352,067</u>	<u>240,023</u>
Administrative expenses		(302,352)	(248,583)
Surplus / (deficit) before tax	4	<u>49,715</u>	<u>(8,560)</u>
Income tax expense	5	-	-
Surplus / (deficit) for the year		<u>49,715</u> =====	<u>(8,560)</u> =====

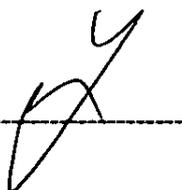
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

FORGET THEE NOT LIMITED
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST JULY 2020

	Note	2020 HK\$	2019 HK\$
Non-current assets			
Property, plant and equipment	7	198,328	-
Current assets			
Other receivable		-	62,676
Rental and utility deposit		34,540	73,640
Amount due from a related association	9	9,565	-
Bank and cash balances		171,054	17,945
		215,159	154,261
Current liabilities			
Accrual		87,150	98,535
Other payable		50,000	30,000
Receipt in advance		201,931	-
Amount due to a director	8	619,700	619,700
Amount due to related association	9	-	1,035
		958,781	749,270
Net current liabilities		(743,622)	(595,009)
NET LIABILITIES		(545,294)	(595,009)
EQUITY			
Accumulated deficit		(545,294)	(595,009)
TOTAL DEFICIT		(545,294)	(595,009)

Approved and authorized for issue by the Board of Directors on 8th June 2021.

Mr. FAN Ning
 Director



Mr. CHUNG Chi Keung
 Director



The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

FORGET THEE NOT LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31ST JULY 2020

	Accumulated deficit HK\$
At 1st August 2018	(586,449)
Deficit for the year	(8,560)
At 31st July 2019	----- (595,009)
Surplus for the year	49,715
At 31st July 2020	----- =====

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

FORGET THEE NOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2020

1 REPORTING ENTITY

Forget Thee Not Limited is an Association incorporated in Hong Kong with limited liability by guarantee. The Association's registered office is located at Unit 21, 11/F., Metro Centre II, 21 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong.

In accordance with the provision of the Association's Articles of Association, every member shall, in the event of the Association's being wound up, contribute to the assets of the Association an amount not exceeding HK\$100.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The Association 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 (the "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 Association is a going concern.

The measurement base adopted is the historical cost convention.

(b) Going concern

The Association had capital deficiency at the end of the reporting period. However, the members have confirmed that they should be able to generate sufficient cash flows to cover its operating costs and to meet its financing commitments. Accordingly, the directors are satisfied that it is appropriate to prepare these financial statements on a going concern basis.

(c) Revenue recognition

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

- (i) donation income are recognised on the receipt basis;
- (ii) government grant is recognised on the receipt basis;
- (iii) services income is recognised on the basis of completion of services; and
- (iv) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

FORGET THEE NOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2020

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(d) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is not provided.

(e) Plant and equipment

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

The depreciable amounts of items of plant and equipment are allocated on a systematic basis over its estimated useful lives using the straight-line method. The principal annual rates used for depreciation are as follows:

Leasehold improvement	20%
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(f) Operating leases

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 income statement 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.

FORGET THEE NOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2020

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(h) Related parties

A person or a close member of that person's family is related to an 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 or of a parent of the Association;

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

- (i) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or 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).
- (iii) both entities are joint ventures of the same third entity.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association. If the Association is itself such a plan, the sponsoring employers are also related to the Association.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) 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).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Association or to the parent of 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.

FORGET THEE NOT LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST JULY 2020

3 REVENUE AND OTHER INCOME

Revenue and other income of the Association recognised during the year are as follows:

	2020 HK\$	2019 HK\$
Revenue		
Donation income	421,038	53,158
Service income	36,500	148,113
	<u>457,538</u>	<u>201,271</u>
Other income		
Bank interest income	-	6
Government grant	12,500	-
Sundry income	2,300	62,726
	<u>14,800</u>	<u>62,732</u>
Total revenue and other income	<u>472,338</u>	<u>264,003</u>

4 SURPLUS/ (DEFICIT) BEFORE TAX

	2020 HK\$	2019 HK\$
Surplus/ (deficit) before tax is arrived at after charging:-		
Auditors' remuneration	10,000	10,600
Depreciation	49,582	-
Other staff costs	44,799	18,700
Operating lease payments in respect of leased premises	123,750	119,000
	<u>228,131</u>	<u>248,300</u>

FORGET THEE NOT LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST JULY 2020

5 INCOME TAX EXPENSE

The Association being a charitable organization has already obtained written approval from Inland Revenue Department for tax exemption by virtue of Section 88 of the Inland Revenue Ordinance in Hong Kong since 7th September 2016.

6 DIRECTORS' EMOLUMENTS

Director's remuneration disclosed pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) for the year is HK\$ Nil.

7 PLANT AND EQUIPMENT

	Leasehold Improvement
	----- HK\$
COST	
Addition and at 31.7.2020	247,910

Balance at 1.8.2019	-
Charge for the year	49,582

Balance at 31.7.2020	49,582

NET BOOK VALUE	
Balance at 31.7.2020	198,328
	=====
Balance at 31.7.2019	-
	=====

8 AMOUNT DUE FROM A DIRECTOR

The balance due from a director is unsecured, interest free and repayable on demand.

FORGET THEE NOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2020

9 AMOUNT DUE FROM/(TO) THE RELATED ASSOCIATION

Particulars of the amount due from/(to) the related association in which Fan Ning, Chung Chi Keung and Ko Wing Yin Albert are common directors, disclosed pursuant to section 383(1) (d) of the Hong Kong Companies Ordinance (Cap.622) and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:-

Name of Company	Balance at the beginning of the year	Balance at the end of the year	Maximum balance outstanding during the year
	HK\$	HK\$	HK\$
Green Life Passage (HK) Limited	(1,035)	9,565	9,565
	=====	=====	

The amount is unsecured, interest free and has no fixed terms of repayment.

10 COMMITMENTS UNDER OPERATING LEASES

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

	2020 HK\$	2019 HK\$
Within one year	156,000	21,000
After one year	27,000	-
	-----	-----
	183,000	21,000
	=====	=====

11 RELATED PARTY TRANSACTION

During the year, the Association had significant transaction with the following related party:-

	2020 HK\$	2019 HK\$
Donation received from a related association	-	30,000
Donation received from a director	270,192	-
	=====	=====

In additions, the balances with the related parties are shown in note 8 and remuneration to a director are shown in note 6.

FORGET THEE NOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2020

12 COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year's presentation.

13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 8th June 2021.

FORGET THEE NOT LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST JULY 2020

This statement does not
form part of the Audited Financial Statements

The detailed income statement relating to the year ended 31st July 2020 included in the audited report are not the Association's statutory annual financial statements for that year. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

As the Association is a private company, the Association is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Association's auditor has reported on those financial statements. The auditor's report was unqualified; included a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

FORGET THEE NOT LIMITED
 DETAILED INCOME STATEMENT
 FOR THE YEAR ENDED 31ST JULY 2020
 (For management purposes only)

	2020 HK\$	2019 HK\$
Revenue		
Donation income	421,038	53,158
Service income	36,500	148,113
	<u>457,538</u>	<u>201,271</u>
Direct cost	(120,271)	(23,980)
Gross profit	<u>337,267</u>	<u>177,291</u>
Other income		
Bank interest income	-	6
Government grant	12,500	-
Sundry income	2,300	62,726
	<u>14,800</u>	<u>62,732</u>
	352,067	240,023
Administrative expenses – Schedule I	(302,352)	(248,583)
Surplus / (deficit) before tax	<u>49,715</u>	<u>(8,560)</u>

FORGET THEE NOT LIMITED

SCHEDULES ANNEXED TO THE DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31ST JULY 2020

(For management purposes only)

<u>Administrative expenses</u>	2020	<u>Schedule I</u>
	HK\$	HK\$
Accountancy fee	-	500
Advertising	1,002	1,478
Auditor's remuneration	10,000	10,600
Bank charges	1,220	930
Depreciation of plant and equipment	49,582	-
Exhibition fee	-	44,844
Insurance	2,501	3,930
Office supplies	15,105	-
Mandatory provident funds	4,073	1,761
Printing and stationery	604	11,731
Rent	123,750	119,000
Secretarial fee	620	3,070
Staff salaries	40,726	16,939
Sundries expenses	18,946	13,695
Telephone	6,594	12,365
Tools	24,006	-
Travelling	66	5,386
Transportation	1,555	-
Utility expenses	2,002	2,354
	-----	-----
	302,352	248,583
	=====	=====