

WHEEL POWER CHARITY LIMITED

滾動力量慈善有限公司

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2020

Certified True Copy



Chui Yin Chui

Director, Wheel Power Charity Limited

AUDITED BY

CHAN KIM FAI EDDIE

CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

陳劍輝執業會計師



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**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**

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**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**  
**REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30th June, 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company is to organise experimental programs to promote the message of social inclusion and barrier-free society.

**FINANCIAL RESULTS**

The results of the company for the year ended 30th June, 2020 and the state of the company's affairs at that date are set out in the financial statements on pages 5 to 11.

**DIRECTORS**

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

Chu Ying Chui

Chan Chun Tong

(Appointed on 16/12/2019)

Chu Ying Suet

(Resigned on 16/12/2019)

**PERMITTED INDEMNITY PROVISION**

Article 29(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 29(2) of the Company's Articles. This permitted indemnity provision is in force during the financial period and at the time of approval of this report.

**BUSINESS REVIEW**

The company falls within reporting exemption for the financial year. Accordingly, the company is exempted from preparing a business review.

**EQUITY-LINKED ARRANGEMENTS**

During the financial year, the company entered into no equity-linked agreement. At the end of the financial year, the company subsisted of no equity-linked agreement.

**DIRECTORS' INTEREST**

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

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

**AUDITOR**

The financial statements for the period have been audited by Chan Kim Fai Eddie, Certified Public Accountant (Practising), who retire and, being eligible, offer themselves for re-appointment.

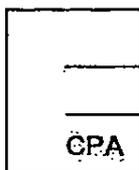
For and on behalf of the Board



Chu Ying Chui

Chairman

Hong Kong, 16 DEC 2020



**Chan Kim Fai Eddie**  
**Certified Public Accountant (Practising)**  
**陳劍輝執業會計師**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF WHEEL POWER CHARITY LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Wheel Power Charity Limited ("the Company") set out on pages 5 to 11, which comprise the balance sheet as at 30th June, 2020, and the income statement 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 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 PN 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**

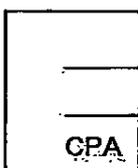
The directors are responsible for the other information. The other information comprises the report of the directors but does not include the financial statements and our auditor's report thereon.

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.



**Chan Kim Fai Eddie**  
**Certified Public Accountant (Practising)**  
**陳劍輝執業會計師**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF WHEEL POWER CHARITY LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

**Responsibilities of Directors and Those Charged with Governance for the Financial Statements (continued)**

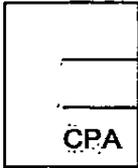
In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional 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.



**Chan Kim Fai Eddie**  
**Certified Public Accountant (Practising)**  
**陳劍輝執業會計師**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF WHEEL POWER CHARITY LIMITED**  
(Incorporated in Hong Kong and limited by guarantee)

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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.

**Report on other matters under section 407 of the Hong Kong Companies Ordinance**

We report that we have obtained all the information and explanations which we have required.

A handwritten signature in black ink, appearing to read 'Chan Kim Fai'.

Chan Kim Fai Eddie  
Certified Public Accountant (Practising)  
Practising Certificate Number: P05312  
8/F., The Broadway, 54-62 Lockhart Road,  
Wanchai, Hong Kong.  
Date: 16 DEC 2020

**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE, 2020**

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
TURNOVER	37,500	46,550
OTHER REVENUE	165,589	52,249
ADMINISTRATIVE EXPENSES	<u>(138,278)</u>	<u>(121,634)</u>
SURPLUS/ (DEFICIT) BEFORE TAXATION	64,811	(22,835)
INCOME TAX CREDIT	<u>1,760</u>	<u>-</u>
SURPLUS/ (DEFICIT) FOR THE YEAR	<u><u>66,571</u></u>	<u><u>(22,835)</u></u>

**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**  
**BALANCE SHEET AS AT 30TH JUNE, 2020**

	Note	2020 HK\$	2019 HK\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,905	2,857
<b>CURRENT ASSETS</b>			
Accounts receivable		2,920	3,650
Deposit		12,070	12,070
Other receivables		-	5,708
Cash at bank		79,741	58,913
		<u>94,731</u>	<u>80,341</u>
<b>CURRENT LIABILITIES</b>			
Amount due to a director	8	15,495	13,550
Receipt in advance		5,100	40,000
Provision for taxation		2,050	3,928
Accruals		7,300	25,600
		<u>29,945</u>	<u>83,078</u>
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<u>64,786</u>	<u>(2,737)</u>
<b>NET ASSETS</b>		<u>66,691</u>	<u>120</u>
<b>RESERVE FUNDS</b>			
General funds		<u>66,691</u>	<u>120</u>

The financial statements were approved by the board of directors on 16 DEC 2020



Chu Ying Chui  
Director



Chan Chun Tong  
Director

**THE ANNEXED NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**  
**STATEMENT OF CHANGES IN RESERVE FUNDS**  
**FOR THE YEAR ENDED 30TH JUNE, 2020**

	<u>General funds</u> HK\$	<u>Total</u> HK\$
At 1/7/2018	22,955	22,955
(Deficit) for the year	<u>(22,835)</u>	<u>(22,835)</u>
At 1/7/2019	120	120
Surplus for the year	<u>66,571</u>	<u>66,571</u>
At 30/6/2020	<u><u>66,691</u></u>	<u><u>66,691</u></u>

**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30TH JUNE, 2020**

1. **GENERAL INFORMATION**

Wheel Power Charity Limited was limited by guarantee incorporated in Hong Kong under the Companies Ordinance. Its registered office is located at Flat 56, 5/F., Block B, Tai Tak Industrial Building, 2-12 Kwai Fat Road, Kwai Chung, New Territories, Hong Kong. The principal activity of the company is to organise experimental programs to promote the message of social inclusion and barrier-free society.

In the event of this Company being wound up, any person being a member, or within one year thereafter, should be required to contribute to the assets of the Association for a sum not exceeding HK\$100.

2. **PRINCIPAL ACCOUNTING POLICIES**

a) **Basis of preparation**

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 Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants 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.

b) **Turnover**

Turnover represents event income.

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 bases:-

- i) Event income is recognised upon provision of services.
- ii) Subsidy income is recognised when the funds is received or receivable.

d) **Income tax expenses**

Income tax for the year comprises current tax expense. Current tax is the expected tax payable on the taxable income for the year, using tax rate in force at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is not provided.

e) **Property, plant and equipment**

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

Depreciation of property, plant and equipment is calculated on the straight line basis to write off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Wheelchair	20% per annum
Computer hardware	20% per annum

**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30TH JUNE, 2020**

2. **PRINCIPAL ACCOUNTING POLICIES(CONTINUED)**

e) **Property, plant and equipment (continued)**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year which the item is derecognised.

f) **Trade and other receivables**

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

g) **Impairment of assets**

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment on assets. 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 recognized in the income statement.

h) **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.

3. **TURNOVER AND OTHER REVENUE**

	<u>2020</u> HK\$	<u>2019</u> HK\$
Turnover		
Event income	37,500	46,550
Other revenue		
Subsidy from SIE Fund	165,589	52,249
	<u>203,089</u>	<u>98,799</u>

4. **SURPLUS/ (DEFICIT) BEFORE TAXATION**

Surplus/ (deficit) before taxation has been determined after charging the following items:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Auditor's remuneration	6,500	4,800
Depreciation	952	953
Operating lease rental	68,656	52,053
Staff costs including directors' remuneration	17,400	21,000

5. **DIRECTORS' EMOLUMENT**

Directors' emoluments disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance are as follows:-

	<u>2020</u> HK\$	<u>2019</u> HK\$
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30TH JUNE, 2020**

6. INCOME TAX CREDIT/ (EXPENSES)

	2020 HK\$	2019 HK\$
Profits tax for the year	(2,035)	-
Over-provision for prior year	3,795	-
Deferred taxation	-	-
	<u>1,760</u>	<u>-</u>

Effective from 16th December, 2019, the Organization, which is a charitable institution, is except from tax under Section 88 of the Inland Revenue Ordinance (Chapter 112).

7. PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment are given in Schedule 1 annexed to the financial statements.

8. AMOUNT DUE TO A DIRECTOR

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

9. OPERATING LEASE COMMITMENT

The Company has future aggregate minimum leases rental expenses under non-cancellable operating leases are payable in the following year:

	2020 HK\$	2019 HK\$
Lease which expires:		
Within one year	14,640	25,830
In the second to fifth years inclusive	-	-
	<u>14,640</u>	<u>25,830</u>

**WHEEL POWER CHARITY LIMITED**  
**PROPERTY, PLANT AND EQUIPMENT**

	Wheelchair HK\$	Computer hardware HK\$	Total HK\$
<b><u>Cost</u></b>			
At 1/7/2018	2,304	2,458	4,762
Additions	-	-	-
At 1/7/2019	2,304	2,458	4,762
Additions	-	-	-
At 30/6/2020	2,304	2,458	4,762
<b><u>Accumulated depreciation</u></b>			
At 1/7/2018	461	491	952
Charged for the year	461	492	953
At 1/7/2019	922	983	1,905
Charged for the year	460	492	952
At 30/6/2020	1,382	1,475	2,857
<b><u>Net book value</u></b>			
At 30/6/2020	922	983	1,905
At 30/6/2019	1,382	1,475	2,857
At 30/6/2018	1,843	1,967	3,810

(For management purpose)

**WHEEL POWER CHARITY LIMITED**  
**(LIMITED BY GUARANTEE)**  
**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE, 2020**

	2020 HK\$	2019 HK\$
TURNOVER		
Event income	37,500	46,550
ADD: OTHER REVENUE		
Subsidy from SIE funds	165,589	52,249
	203,089	98,799
LESS: ADMINISTRATIVE EXPENSES		
Auditor's remuneration	6,500	4,800
Bank charges	1,550	150
Business registration fee	250	-
Consultant fee	8,000	6,000
Depreciation	952	953
Insurance	4,758	2,904
MPF contribution	1,750	-
Postage	20	20
Printing and stationary	200	781
Promotion fee	7,040	16,192
Rental charges	68,656	52,053
Salaries	17,400	21,000
Secretarial fee	105	705
Staff meal	481	372
Sundry expenses	3,122	2,232
Trainer expenses	3,800	2,400
Training expenses	-	3,800
Transportation	12,029	5,172
Volunteer expenses	1,665	2,100
	138,278	121,634
SURPLUS/ (DEFICIT) BEFORE TAXATION	64,811	(22,835)