

HEART-TO-HEART LIFE EDUCATION FOUNDATION LIMITED
心繫心生命教育基金有限公司
(incorporated in Hong Kong and limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Certified True and Correct



Name: LI Yan
Title: Director



華德會計師事務所
CW CPA Certified Public Accountants
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DIRECTORS' REPORT

The directors submit the report together with the audited financial statements for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Heart-to-Heart Life Education Foundation Limited ("the Foundation") are operating as a non-profit organization to promote and enhance the community's awareness and understanding of having a positive perspective in life and death.

BUSINESS REVIEW

The Foundation falls within reporting exemption for the preparation of a business review. Accordingly, no business review has been prepared.

RESULTS

The results of the Foundation for the year ended 31 March 2020 are set out on page 3 of the financial statements.

DIRECTORS

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

Li Yan

Ma Kam Wah

Chun Chak Wai

(resigned on 10 February 2020)

In accordance with Articles 38 and 39 of the Foundation's Articles of Association, all directors other than the first directors shall retire from office at the annual general meeting every 2 years. All the existing directors are first directors.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE FOUNDATION'S BUSINESS

No transactions, arrangements or contracts of significance in relation to the Foundation's business to which the Foundation was a party and in which a director of the Foundation had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

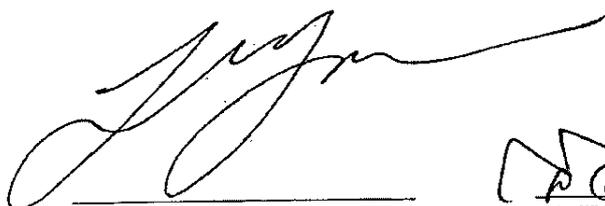
	Note	2020 HK\$	2019 HK\$
Income			
Donation income	2.2(a)	206,138	129,662
Grants for project	2.2(b), 5	435,653	201,691
Events income	2.2(c)	-	1,180
Interest income	2.2(d)	-	-
		<u>641,791</u>	<u>332,533</u>
Project expenses		(435,653)	(201,691)
Expenditure		<u>(202,819)</u>	<u>(51,578)</u>
Operating surplus	3	3,319	79,264
Finance costs			
Interest expenses on bank overdraft		<u>(2)</u>	<u>(2)</u>
Surplus for the year		<u>3,317</u>	<u>79,262</u>

The accompanying notes form an integral part of, and should be read in conjunction with, these financial statements.

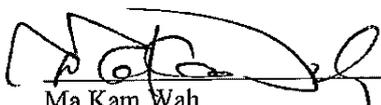
**STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2020**

	Note	2020 HK\$	2019 HK\$
ASSETS			
Current assets			
Grants receivable		133,752	-
Cash and bank balances		273,479	694,871
TOTAL ASSETS		407,231	694,871
EQUITY AND LIABILITIES			
Equity attributable to owners			
Accumulated fund		358,759	355,442
Current liabilities			
Other payables		31,065	31,065
Deferred income	5	-	301,531
Amount due to a director	6	17,407	6,833
		48,472	339,429
TOTAL EQUITY AND LIABILITIES		407,231	694,871

Approval on behalf of the board by



Li Yan
 Director



Ma Kam Wah
 Director

The accompanying notes form an integral part of, and should be read in conjunction with, these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Accumulated fund HK\$
At 1 April 2018	276,180
Surplus for the year	<u>79,262</u>
At 31 March 2019	<u>355,442</u>
At 1 April 2019	355,442
Surplus for the year	<u>3,317</u>
At 31 March 2020	<u>358,759</u>

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

- (a) The principal activities of Heart-to-Heart Life Education Foundation Limited (“the Foundation”) are operating as a non-profit organization to promote and enhance the community’s awareness and understanding of having a positive perspective in life and death.
- (b) The Foundation is incorporated in Hong Kong with liability limited by guarantee (see note 7). The address of its registered office is Flat C, 12/F., Shatin Lodge, 2 - 4 Lok Fung Path, Shatin, Hong Kong.
- (c) These financial statements are presented in Hong Kong dollars (HK\$).

2.1 Basis of preparation and accounting policies

The Foundation qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its Foundation’s 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 Foundation is a going concern.

The measurement base adopted is the historical cost convention.

2.2 Revenue recognition

- (a) Donation income

Donation income is recognized on cash receipt basis.

- (b) Grants

Grants is accounted for when the right to receive payment is established. Grants, which is earmarked for a specific purpose, is initially recognized as deferred income. When there is reasonable assurance that the Foundation will comply with the conditions attaching to the grants, it is recognized in the income statement over the period necessary to match with related costs which it is intended to compensate.

- (c) Events income

Events income is recognized when the event is rendered.

- (d) Interest income

Interest income arising from deferred income received will be included in deferred income and only be used to cover direct expenses for the corresponding project. Other interest income is recognized on a time proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the statement of financial position.

2.3 Related parties

A related party is a person or entity that is related to the Foundation.

- (i) A person or a close member of that person's family is 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.
- (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 joint venture of the other entity (or an associate or joint venture of a member of 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).
 - (g) A person identified in (i)(a) 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).
 - (h) The entity, or any member of a Foundation of which it is a part, provides key management personnel services to the Foundation.

3 OPERATING SURPLUS

Operating surplus is stated after charging :

	2020 HK\$	2019 HK\$
Auditor's remuneration*	-	-
Director's remuneration	-	-

* 2019 and 2020 audit has been carried out on an honorary basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 INCOME TAX

The Foundation is an approved charitable institution under Section 88 of the Inland Revenue Ordinance and is exempted from Hong Kong taxation. (2019 : nil)

5 DEFERRED INCOME

	HK\$
Gross amount of grants received and receivable	
Balance at 1 April 2019	503,222
Received and receivable during the year	133,752
Interests received related to grants received	<u>370</u>
Balance at 31 March 2020	----- 637,344
Accumulated amount of grants released to income statement	
Balance at 1 April 2019	201,691
Realized during year	<u>435,653</u>
Balance at 31 March 2020	----- 637,344
Carrying amount	
At 31 March 2020	<u>----- -</u>
At 31 March 2019	<u>----- 301,531</u>

6 AMOUNT DUE TO A DIRECTOR

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 MEMBERS' LIABILITY

The liability of each member to contribute to the assets of the Foundation in the event of its being wound up while he/she is a member or within one year after he/she ceases to be a member, is limited to HK\$100.

8 APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 3 to 9 were approved and authorized for issue by the board of directors on 31 DEC 2020



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Partners

黃華榮 執業會計師
 THOMAS W S WONG, FCPA (Practising)

蔡懿德 執業會計師
 ROSANNA Y T CHOI, FCPA (Practising)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
 HEART-TO-HEART LIFE EDUCATION FOUNDATION LIMITED**

心繫心生命教育基金有限公司

(incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Heart-to-Heart Life Education Foundation Limited ("the Foundation") set out on pages 3 to 9, which comprise the statement of financial position as at 31 March 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 Foundation 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 PN900 (Revised) Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEART-TO-HEART LIFE EDUCATION FOUNDATION LIMITED (continued)

Responsibilities of directors 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 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 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 HKSAAs 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 HKSAAs, 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
HEART-TO-HEART LIFE EDUCATION FOUNDATION LIMITED (continued)**

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

- 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.

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.

CW CPA

Certified Public Accountants

HONG KONG, 31 DEC 2020

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**STATEMENT OF INCOME AND EXPENDITURE
 FOR THE YEAR ENDED 31 MARCH 2020**

	2020 HK\$	2019 HK\$
Income		
Donation income	206,138	129,662
Grants for project	435,653	201,691
Events income	-	1,180
Interest income	-	-
	<u>641,791</u>	<u>332,533</u>
Project expenses	<u>(435,653)</u>	<u>(201,691)</u>
Expenditure		
Advertising and promotion	(133,061)	(7,500)
Audit fee	-	-
Bank charge	(50)	(820)
Conference and exhibition fee	(10,460)	(11,923)
Food and beverage	(6,879)	(1,343)
Insurance	-	(1,265)
Printing and stationery	(9,597)	(1,074)
Rent and rates	(27,305)	(11,600)
Stamp and postage	(3,446)	(1,330)
Sundry expenses	(11,542)	(8,140)
Telephone	(479)	(1,583)
Video and photo	-	(5,000)
	<u>(202,819)</u>	<u>(51,578)</u>
Operating surplus	3,319	79,264
Finance costs		
Interest expenses on bank overdraft	<u>(2)</u>	<u>(2)</u>
Surplus for the year	<u><u>3,317</u></u>	<u><u>79,262</u></u>