
精英慈善基金有限公司
Elite Charitable Foundation Limited

財務報告
Financial Statements

二零二零年三月三十一日
31st March 2020

羅思雲羅君美會計師事務所有限公司
Law & Partners CPA Limited
CERTIFIED PUBLIC ACCOUNTANTS



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ELITE CHARITABLE FOUNDATION LIMITED

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精英慈善基金有限公司
ELITE CHARITABLE FOUNDATION LIMITED
REPORT OF THE GOVERNORS

The governors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st March 2020.

REPORTING ENTITY

Elite Charitable Foundation Limited (the "Foundation") was incorporated on 27th December 2012 under the Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital. The liability of its members is limited to HK\$100 per member in the event that the Foundation is being wound up while he/she is a member, or within one year after he/she has ceased to be a member.

The registered office of the Foundation was located at 7th Floor, CS Tower, 50 Wing Lok Street, Sheung Wan, Hong Kong.

The Foundation's principal activities are operates charitable projects for youths who suffer from depression and other mental illnesses and other needy groups, including underprivileged youths and at-risk youth.

RESULT AND STATE OF AFFAIRS

The Foundation's results for the year ended 31st March 2020 and its state of affairs at that date are set out in the attached financial statements.

BUSINESS REVIEW

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

GOVERNORS

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

Chen Wai Yui Anne
Chiu Man Kei Elaine

In accordance with Article 39 of the Foundation's articles of association, all governors shall retire from office, and being eligible offer themselves for re-election.

AUDITOR

The financial statements have been audited by Law & Partners CPA Limited, Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the board



Chen Wai Yui Anne
Chairman
Hong Kong, 31st December 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Elite Charitable Foundation Limited
(incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Elite Charitable Foundation Limited ("the Foundation") set out on pages 4 to 9, which comprise the statement of financial position as at 31st March 2020, and the income statement and statement of changes in funds 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 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 Foundation 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 to the financial statements which indicates that the Foundation incurred a net deficit of HK\$52,206 during the year ended 31st March 2020, and as of that date, the Foundation's current liabilities exceeded its current assets by HK\$116,632. The financial statements have been prepared on a going concern basis, the validity of which depends on the continuing financial support from a governor and related company. The financial statements do not include any adjustments that would result if the Foundation is unable to continue as going concern.

Other Information

The governors are responsible for the other information. The other information comprises the information included in the report of the governors, 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 Governors for the Financial Statements

The governors 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 governors 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 governors 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 governors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

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. 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 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governors.
- Conclude on the appropriateness of the governors' 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 governors 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.



LAW & PARTNERS CPA LIMITED
Certified Public Accountants
Hong Kong, 31st December 2020

Elizabeth Law
Practising Certificate Number P01024

精英慈善基金有限公司
ELITE CHARITABLE FOUNDATION LIMITED

INCOME STATEMENT

For the year ended 31st March 2020

(Expressed in Hong Kong Dollars)

	<u>2020</u>	<u>2019</u>
<u>INCOME</u>		
Donation for programme	-	98,000
Project fund income	679,645	259,000
Thai boxing class income	-	20,250
Bank interest income	-	3
Sundry income	-	400
	<u>679,645</u>	<u>377,653</u>
<u>EXPENDITURE</u>		
Programme expenses	-	78,000
Project expenses		
- Salaries and coach fee	506,609	192,600
- Mandatory provident fund contribution	30,225	7,900
- Studio costs	108,730	7,680
- Equipment costs	2,497	-
- Insurance	2,953	35,341
- Professional fee	8,500	-
- General and other expenses	20,131	15,479
	<u>679,645</u>	<u>259,000</u>
Sponsorship fee	46,800	31,200
Salaries	-	49,590
Mandatory provident fund contribution	-	1,600
Coach fees	-	10,970
Boxing supplies fee	-	17,667
Rental expense	-	49,240
Electricity	-	883
Sundry expenses	5,406	30,152
	<u>731,851</u>	<u>528,302</u>
DEFICIT FOR THE YEAR	<u>(52,206)</u>	<u>(150,649)</u>

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

精英慈善基金有限公司
ELITE CHARITABLE FOUNDATION LIMITED

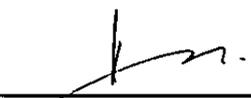
STATEMENT OF FINANCIAL POSITION

As at 31st March 2020

(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Current assets			
Deposits and prepayment		-	46,800
Cash and cash equivalents	3	<u>842,225</u>	<u>677,484</u>
		<u>842,225</u>	<u>724,284</u>
Less: Current liabilities			
Receipt in advance	4	877,732	750,020
Amount due to a governor	5	210	210
Amount due to a related company	5	51,965	-
		<u>28,950</u>	<u>38,480</u>
		<u>958,857</u>	<u>788,710</u>
Net current liabilities		<u>(116,632)</u>	<u>(64,426)</u>
NET LIABILITIES		<u>(116,632)</u>	<u>(64,426)</u>
ACCUMULATED DEFICITS		<u>(116,632)</u>	<u>(64,426)</u>

Approved and authorised for issue by the board of governors on 31st December 2020



 Chen Wai Yui Anne
 Governor



 Chiu Man Kei Elaine
 Governor

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

精英慈善基金有限公司
ELITE CHARITABLE FOUNDATION LIMITED

STATEMENT OF CHANGES IN FUNDS

For the year ended 31st March 2020

(Expressed in Hong Kong Dollars)

	<u>Accumulated fund/(deficits)</u>
At 1st April 2018	86,223
Deficit for the year	<u>(150,649)</u>
At 31st March 2019 and 1st April 2019	(64,426)
Deficit for the year	<u>(52,206)</u>
At 31st March 2020	<u>(116,632)</u>

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

精英慈善基金有限公司
ELITE CHARITABLE FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(Expressed in Hong Kong Dollars)

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 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.

The Foundation incurred a net deficit of HK\$52,206 for the year ended 31st March 2020 (2019: HK\$150,649), and as of that date, the Foundation's current liabilities exceeded its current assets by HK\$116,632 (2019: HK\$64,426). However, the financial statements are prepared on the basis that the Foundation will continue to exist as a going concern, which assumes continuous financial support from a governor and related company. The governor and related company have expressed that their present intentions are to continue to financially support the operations of the Foundation.

The measurement basis used in preparing the financial statements is historical cost.

a. Revenue recognition

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

- (i) donation for programme and project fund income are recognised on the basis as set out in note 1b;
- (ii) Thai boxing class income are recognised upon completing of the class; and
- (iii) interests income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

b. Grants and donations from third parties

Grants or donations from third parties, which are earmarked for specific purposes, are initially recognised as deferred income and then they are recognised in the income statement over the period necessary to match with the related costs which they are intended to compensate.

Grants or donations related to assets are deducted from the cost of the assets at their carrying amount to the extent of the grants received and receivable at the end of the reporting period.

c. Account and other receivables

Accounts 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.

d. Cash and cash equivalents

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

精英慈善基金有限公司
ELITE CHARITABLE FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2020

(Expressed in Hong Kong Dollars)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

e. Employee benefits

(i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave and the cost to the Foundation of non-monetary benefits are recognised when they accrue to employees.

Employee entitlements to sick leave and maternity leave are recognized when the absences occur.

(ii) Retirement benefits

Obligations for contributions to defined contribution retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised in surplus or deficit as incurred.

The Foundation's net obligation in respect of lump sum long service amounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated based on the expected value of the long service payment that should be made at the end of the reporting period.

2. GOVERNORS' REMUNERATION

The governors did not receive any remuneration for their services to the Foundation during the year (2019: Nil).

3. CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
Cash at bank	<u>842,225</u>	<u>677,484</u>

4. RECEIPT IN ADVANCE

	<u>2020</u>	<u>2019</u>
Self-Defence x Thai Boxing Training Program		
Donation received	-	98,000
Recognised in surplus or deficit	<u>-</u>	<u>98,000</u>
	<u>-</u>	<u>-</u>
Box Off Depression Project		
As at 1st April 2019/2018	750,020	-
Grant received	807,080	1,008,850
Other project income	<u>277</u>	<u>170</u>
Receipt for the year	1,557,377	1,009,020
Recognised in surplus or deficit	<u>679,645</u>	<u>259,000</u>
	<u>877,732</u>	<u>750,020</u>
Balance as at 31st March 2020/2019	<u>877,732</u>	<u>750,020</u>

精英慈善基金有限公司
ELITE CHARITABLE FOUNDATION LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31st March 2020

(Expressed in Hong Kong Dollars)

5. AMOUNT DUE TO A GOVERNOR AND A RELATED COMPANY

Amount due to a governor and a related company are interest-free, unsecured and repayable on demand. However, a governor and related company have expressed that their present intentions are to support the operations of the Foundation and will not recall their loans unless the Foundation has sufficient funds to repay.

6. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Foundation had the following material related party transactions:

	<u>2020</u>	<u>2019</u>
Sponsorship fee paid to a related company	46,800	109,200
Boxing equipment fee paid to a related company	-	14,650
Studio cost paid to a related company	108,730	7,680
Advance from a related company	51,965	-
Outstanding balances at year ended date with related parties included in financial statements:		
Account and other receivable due from a related company	7,390	-
Account and other payable due to a related company	-	7,680
Prepayment to a related company	-	46,800

The registered office was provided by a related company free of charge.