

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED
青少年發展企業聯盟有限公司

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

 **ROGER KAM & Co.**
Certified Public Accountants (Practising)
甘志成會計師事務所
(A founder member of AicA Group)



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CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activities of CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED (“the Company”) are providing services to youth in order to influence them in social value, cultivate the culture development in the community and engage in youth development initiative.

RESULTS

The results of the Company for the year ended 30 June 2020 and the state of the Company’s affairs at that date are set out in the financial statements on pages 6 to 15.

REPORTING EXEMPTION AND BUSINESS REVIEW

The Company falls within the reporting exemption for the financial year. Accordingly, the Company is exempted from complying with certain requirements including preparing a business review.

DIRECTORS

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

CHAN KUNG Wai Ying Amy
CHAN Yuk Kwan Julita
FONG Yick Jin Eugene
MOK Beatrice
TANG Ming Wai
WONG Yuk Choi Andy
WU Shang Tun Mason
YEUNG Hin Shing Ken
YU Judith

DIRECTORS’ INDEMNITIES

There being no provision in the company’s Articles of Association regarding directors’ indemnities.

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

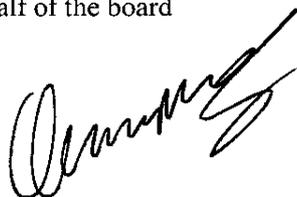
MANAGEMENT CONTRACTS

The Company did not enter into any contract, other than the contracts of service with any director of the Company or any person engaged in the full-time employment of the Company, by which a person or entity undertakes the management and administration of the whole or any substantial part of any business of the Company.

AUDITOR

The financial statements have been audited by Messrs Roger Kam & Co., Certified Public Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the board



CHAN KUNG Wai Ying Amy
Director
Date, 18 January 2021



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED
(incorporated in Hong Kong with liability limited by guarantee)**

Opinion

We have audited the financial statements of CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED ("the Company") set out on pages 6 to 15, which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in general fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for Private Entities") 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") 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 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.

Information other than the financial statements and auditor's report thereon

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED
(incorporated in Hong Kong with liability limited by guarantee)**

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities 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 has 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. We report our opinion 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 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 misstatements 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.



ROGER KAM & Co.
Certified Public Accountants (Practising)
甘志成會計師事務所
(A founder member of AicA Group)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED
(incorporated in Hong Kong with liability limited by guarantee)**

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

- 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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Roger Kam & Co.
Certified Public Accountants (Practising)

Hong Kong, 18 January 2021

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 HK\$	2019 HK\$
Revenue	4	1,005,623	3,065,360
Cost of income		<u>(182,009)</u>	<u>(723,492)</u>
Gross surplus		823,614	2,341,868
Other revenue and net income	4	4,110	807
Administrative expenses		(1,229,445)	(1,173,277)
Other operating expenses		<u>(14,145)</u>	<u>(4,958)</u>
(Deficit) / surplus before tax	5	(415,866)	1,164,440
Taxation	7	<u>-</u>	<u>-</u>
(Deficit) / surplus and total comprehensive (loss) / income for the year		<u>(415,866)</u>	<u>1,164,440</u>

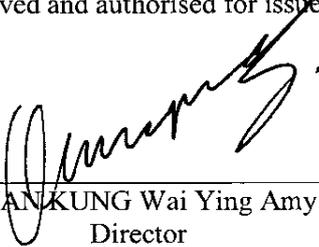
The notes on pages 10 to 15 form an integral part of these financial statements.

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

	Note	2020 HK\$	2019 HK\$
Non-current assets			
Plant and equipment	8	3,376	8,472
Current assets			
Deposit		29,550	-
Cash and bank balances		1,638,002	1,827,426
		1,667,552	1,827,426
Current liabilities			
Deferred income	9	217,698	-
Other payables		33,198	-
		250,896	-
Net current assets		1,416,656	1,827,426
NET ASSETS		1,420,032	1,835,898
GENERAL FUND			
Accumulated surplus		1,420,032	1,835,898

Approved and authorised for issue by the Board of Directors on 18 January 2021


 CHAN KUNG Wai Ying Amy
 Director


 WU Shang Tun Mason
 Director

The notes on pages 10 to 15 form an integral part of these financial statements.

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

STATEMENT OF CHANGES IN GENERAL FUND FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated surplus HK\$
Balance at 1 July 2018	671,458
Total comprehensive income for the year	<u>1,164,440</u>
Balance at 30 June 2019	1,835,898
Total comprehensive loss for the year	<u>(415,866)</u>
Balance at 30 June 2020	<u>1,420,032</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 HK\$	2019 HK\$
Cash flows from operating activities			
(Deficit) / surplus before tax		(415,866)	1,164,440
Adjustments for:-			
Bank interest income	4	(4,110)	(807)
Depreciation	5	2,228	3,184
Loss on disposal of plant and equipment		<u>2,868</u>	<u>-</u>
Operating (deficit) / surplus before changes in working capital		(414,880)	1,166,817
Increase in deposit		(29,550)	-
Increase in deferred income		217,698	-
Increase in other payables		33,198	-
Decrease in accrued expenses		<u>-</u>	<u>(41,252)</u>
Net cash (used in) / generated from operating activities		<u>(193,534)</u>	<u>1,125,565</u>
Cash flows from investing activities			
Bank interest received		<u>4,110</u>	<u>807</u>
Net cash generated from investing activities		<u>4,110</u>	<u>807</u>
Net (decrease) / increase in cash and cash equivalents		(189,424)	1,126,372
Cash and cash equivalents at beginning of the year		<u>1,827,426</u>	<u>701,054</u>
Cash and cash equivalents at end of the year		<u>1,638,002</u>	<u>1,827,426</u>
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		<u>1,638,002</u>	<u>1,827,426</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 GENERAL

The Company was incorporated in Hong Kong as a company with liability limited by guarantee and is engaged in providing services to youth in order to influence them in social value, cultivate the culture development in the community and engage in youth development initiative. The Company's registered office is located at Room 701, 7/F., Tung Che Commercial Centre, 246 Des Voeux Road West, Sai Ying Pun, Hong Kong.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention.

3 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and with accounting standards issued by the HKICPA.

(a) Plant and equipment

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

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of plant and equipment:-

Plant and equipment	- 20%
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If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(b) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment of assets

An assessment on assets 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 plant and equipment. 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 depreciation), had no impairment losses been recognised for the asset in prior years.

(d) Other payables

Other payables are initially recognised at fair value and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(e) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement on a straight-line basis over the lease terms.

(f) Provisions

Provisions are recognised for liabilities of uncertain timing or amount when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(g) Revenue recognition

Donation income, project income and sponsorship income are recognised when donation are received and includes all sums received up to the reporting date.

Interest income is recognised on a time-proportion basis using the effective interest method.

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CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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 value.

The Company operates a Mandatory Provident Fund Scheme (the MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

(i) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:-

- i) a person or a close member of that person's family is related to the Company if that person is a member of the key management personnel of the Company;
- ii) a person or a close member of that person's family is related to the Company if that person has control over the Company or has joint control or significant influence over the Company or has significant voting power in it;
- iii) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- iv) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member);
- v) both entities are joint ventures of a third entity;
- vi) either entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- vii) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan;
- viii) the entity is controlled or jointly controlled by a person identified in (i) and (ii); or
- ix) a person identified in (i) has significant voting power in the entity.

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4 REVENUE

	2020 HK\$	2019 HK\$
Revenue		
Donation income	698,000	2,715,505
Project and donation income from events	-	121,855
Service income	237,000	228,000
Sponsorship income		
- Home Affairs Bureau	14,050	-
- Hong Kong Jockey Club Charities Trust	56,573	-
	<u>1,005,623</u>	<u>3,065,360</u>
Other revenue and net income		
Bank interest income	4,110	807
	<u>1,009,733</u>	<u>3,066,167</u>

5 (DEFICIT) / SURPLUS BEFORE TAX

(Deficit) / surplus before tax is stated after charging the following:-

	2020 HK\$	2019 HK\$
Depreciation	2,228	3,184
Loss on disposal of plant and equipment	2,868	-
Operating lease rentals in respect of plant and property	33,146	-
Staff costs:-		
- staff salaries	1,051,583	1,023,530
- contributions to retirement benefit plan	97,685	46,396
- staff welfare	2,322	6,548
- recruitment expense	200	-

6 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:-

	2020 HK\$	2019 HK\$
As directors	-	-
For management	-	-
	<u>-</u>	<u>-</u>

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CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 TAXATION

No provision for Hong Kong profits tax has been provided as the Company is exempted from Hong Kong tax under section 88 of the Inland Revenue Ordinance.

8 PLANT AND EQUIPMENT

	Plant and equipment HK\$
Cost	
At 1 July 2019	15,920
Disposal	<u>(4,780)</u>
At 30 June 2020	----- 11,140
Accumulated depreciation	
At 1 July 2019	7,448
Charge for the year	2,228
Written back on disposal	<u>(1,912)</u>
At 30 June 2020	----- 7,764
Net book value	
At 30 June 2020	<u>3,376</u>
At 30 June 2019	<u>8,472</u>

9 DEFERRED INCOME

	2020 HK\$	2019 HK\$
Deferred income received from:-		
- Home Affairs Bureau	150,771	-
- Hong Kong Jockey Club Charities Trust	<u>66,927</u>	<u>-</u>
	<u>217,698</u>	<u>-</u>

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

10 COMPANY LIMITED BY GUARANTEE

The Company was registered as a company limited by guarantee and not having a share capital. In accordance with Article 6 of the Company's Memorandum of Association, the Company was incorporated by members' guarantee with every member's liability not exceeding HK\$100.

11 LEASE COMMITMENTS

At 30 June 2020, the Company had commitments for future minimum lease payments under a non-cancelable operating lease in respect of plant and equipment which falls due approximately as follows:

	2020 HK\$	2019 HK\$
Within one year	125,820	-
In the second to fifth years inclusive	<u>92,674</u>	<u>-</u>
	<u>218,494</u>	<u>-</u>

12 RELATED PARTY TRANSACTIONS

The Company had entered into the following transactions with its related parties during the year as follows:-

	2020 HK\$	2019 HK\$
Project and donation income from events		
- Directors	28,000	216,148
- Related parties	-	700
- Related companies	-	954,550
Service income		
- Related company	<u>237,000</u>	<u>228,000</u>

(FOR MANAGEMENT PURPOSES ONLY)

CHILD DEVELOPMENT INITIATIVE ALLIANCE CO LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	HK\$	HK\$
Revenue		
Donation income	698,000	2,715,505
Project and donation income from events	-	121,855
Service income	237,000	228,000
Sponsorship income		
- Home Affairs Bureau	14,050	-
- Hong Kong Jockey Club Charities Trust	56,573	-
	<u>1,005,623</u>	<u>3,065,360</u>
Cost of income		
Design fee	25,600	21,100
Event and project expenses	-	193,947
Gift and souvenir	-	11,729
Manpower service fee	4,000	2,200
Media	10,000	1,200
Others	65,229	4,666
Printing and publishing	53,217	95,435
Screening charge	-	73,599
Transportation	902	4,185
Venue fee	23,061	315,431
	<u>182,009</u>	<u>723,492</u>
Gross surplus	<u>823,614</u>	<u>2,341,868</u>
Other revenue and net income		
Bank interest income	4,110	807
	<u>827,724</u>	<u>2,342,675</u>
General expenses		
Administrative expenses		
Bank charges	720	574
Building management fee	10,875	-
Depreciation	2,228	3,184
Director's meeting expenditure	1,400	-
Electricity	1,143	-
Insurance	4,028	4,153
Mandatory provident fund expenses	97,685	46,396
Office supplies	228	669
Postage and courier	610	3,506
Printing and stationery	13,171	23,869
Recruitment expense	200	-
Rent	33,146	-
Salaries	1,051,583	1,023,530

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Staff welfare	2,322	6,548
Telephone, fax, IDD and broadband	592	398
Trademark fee	4,060	4,020
Volunteer allowance	2,854	54,880
Website maintenance fee	<u>2,600</u>	<u>1,550</u>
	1,229,445	<u>1,173,277</u>
Other operating expenses		
Advertising and publishing expense	2,100	-
Computer expenses	7,545	1,355
Loss on disposal of plant and equipment	2,868	-
Membership fee	-	1,715
Sundry expenses	1,232	105
Travelling expenses	<u>400</u>	<u>1,783</u>
	14,145	<u>4,958</u>
(Deficit) / surplus for the year	<u>(415,866)</u>	<u>1,164,440</u>