

BOSCO CHARITY ASSOCIATION LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

**K K YEUNG PARTNERSHIP LIMITED**

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

楊國琦合夥人有限公司



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## **BOSCO CHARITY ASSOCIATION LIMITED**

### **REPORT OF THE GENERAL COMMITTEE**

The General Committee Members have pleasure in submitting their annual report together with the audited Financial Statements for the year ended 30th September, 2020.

#### **PRINCIPAL ACTIVITIES**

The Association is principally engaged in the offering of support services to power those in need, especially new immigrants and the poor, to reach their full potential and lead meaningful lives in their families and communities.

#### **RESULTS**

The operating results of the Association for the year ended 30th September, 2020 are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 8.

The state of the Association's affairs as at 30th September, 2020 is set out in the Statement of Financial Position on page 9.

#### **GENERAL COMMITTEE MEMBERS**

The General Committee Members who held offices during the year and at the date of this report were:

Yeung Kwok Ki, Anthony	(President)
Yeung Chuen Chow, Thomas	(Chairman)
Yeung Pui Chee, Patricia	(Honorary Treasurer)
Fok Cho Ling	(Honorary Secretary)
Lau Chun Sing, Louis	
Yam Sheung Bun	
Lee Ka Wing, Calvin Charles	
Cheung Man Kong, Patrick	
Chiu Sai Chuen, Nicholas	(resigned on 13th December, 2019)

In accordance with the Association's Articles of Association, all existing General Committee Members shall retire from the General Committee and, being eligible, offer themselves for re-election.

## **BOSCO CHARITY ASSOCIATION LIMITED**

### **REPORT OF THE GENERAL COMMITTEE**

#### **GENERAL COMMITTEE MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE OPERATION OF THE ASSOCIATION**

No transactions, arrangement and contracts of significance in relation to the Association's operation to which the Association was a party and in which any of the General Committee Members 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.

#### **GENERAL COMMITTEE MEMBERS' INTEREST IN THE SHARE, UNDERLYING SHARES OR DEBENTURE OF THE ASSOCIATION**

At no time during the year was the Association a party to any arrangements to enable the General Committee Members of the Association to hold any interests in the shares, underlying shares or debentures of the Association or its specified undertakings.

#### **MANAGEMENT CONTRACTS**

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

#### **BUSINESS REVIEW**

In accordance with the section 388(3) of the Hong Kong Companies Ordinance (Cap. 622), the Association is not required to prepare a business review.

#### **PERMITTED INDEMNITY PROVISION**

In accordance with the Association's Articles of Association, a permitted indemnity provision is in force for the benefit of the General Committee Members of the Association.

**BOSCO CHARITY ASSOCIATION LIMITED**

**REPORT OF THE GENERAL COMMITTEE**

**AUDITORS**

The Financial Statements have been audited by Messrs. K K Yeung Partnership Limited, Certified Public Accountants (Practising), who retire and being eligible, offer themselves for re-appointment.

By order of the General Committee



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Yeung Chuen Chow, Thomas  
Chairman

Hong Kong: 8th February, 2021

# **K K YEUNG PARTNERSHIP**

**K K Yeung Partnership Limited**  
**Certified Public Accountants (Practising)**  
5/F., Chung Nam House, 59 Des Voeux Road Central,  
Central, Hong Kong  
TEL: (852) 2856 0038 FAX: (852) 2565 6628  
E-MAIL: [kkyp@kkyeung.com](mailto:kkyp@kkyeung.com)  
WEBSITE: <http://www.kkyeung.com>

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **BOSCO CHARITY ASSOCIATION LIMITED**

**(Incorporated in Hong Kong and limited by guarantee)**

#### **OPINION**

We have audited the Financial Statements of Bosco Charity Association Limited (the "Association") set out on pages 8 to 20, which comprise the Statement of Financial Position as at 30th September, 2020, and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Funds and Reserves 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 Association as at 30th September, 2020 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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 ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph 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 audit opinion.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**BOSCO CHARITY ASSOCIATION LIMITED**

**(Incorporated in Hong Kong and limited by guarantee)**

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT THEREON**

The General Committee is responsible for the other information. The other information comprises the information included in the Report of the General Committee, 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 GENERAL COMMITTEE MEMBERS AND THOSE CHARGED  
WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

The General Committee Members are responsible for the preparation of Financial Statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the general committee members 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 General Committee Members are responsible for assessing the Association's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Committee Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance should assist the General Committee Members in discharging their responsibilities for overseeing the Association's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**BOSCO CHARITY ASSOCIATION LIMITED**

**(Incorporated in Hong Kong and limited by guarantee)**

**AUDITOR'S RESPONSIBILITY 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, that 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:

- a.) 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;
- b.) 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;
- c.) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Committee Members;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**BOSCO CHARITY ASSOCIATION LIMITED**

**(Incorporated in Hong Kong and limited by guarantee)**

**AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**  
**(CONTINUED)**

- d.) Conclude on the appropriateness of the General Committee Members' 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 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; and
- e.) 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 the audit.



K K Yeung Partnership Limited  
Certified Public Accountants (Practising)  
Yeung Pui Yan, Angela, Certificate number: P04971

Hong Kong: 8th February, 2021

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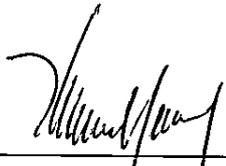
**BOSCO CHARITY ASSOCIATION LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

	<u>Notes</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Income	5	30,894.67	2,097,301
Expenditure		<u>(353,075.32)</u>	<u>(1,693,682)</u>
<b>(Deficit)/surplus before tax</b>	6	(322,180.65)	403,619
Income tax expense	8	<u>-</u>	<u>-</u>
<b>(Deficit)/surplus for the year</b>		(322,180.65)	403,619
<b>Other comprehensive income for the year, net of tax</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR</b>		<u><u>(322,180.65)</u></u>	<u><u>403,619</u></u>

**BOSCO CHARITY ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER, 2020**

	<u>Notes</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Current Assets</b>			
Deposit and prepayment		18,290.15	7,323
Bank balances		<u>1,574,051.75</u>	<u>1,611,145</u>
<b>Total Current Assets</b>		<u>1,592,341.90</u>	<u>1,618,468</u>
<b>Current Liabilities</b>			
Receipts in advance	9	371,600.00	-
Accruals		43,490.00	119,036
Amount due to a general committee member	10	<u>4,258.00</u>	<u>4,258</u>
<b>Total Current Liabilities</b>		<u>419,348.00</u>	<u>123,294</u>
<b>NET ASSETS</b>		<u>1,172,993.90</u>	<u>1,495,174</u>
 <b>Represented by:</b>			
<b>Funds and reserves</b>			
Accumulated fund		<u>1,172,993.90</u>	<u>1,495,174</u>

The Financial Statements on pages 8 to 20 were approved and authorised for issue by the General Committee Members on 8th February, 2021 and were signed on its behalf by:

  
 \_\_\_\_\_  
 Yeung Chuen Chow, Thomas  
 Chairman

  
 \_\_\_\_\_  
 Yeung Pui Chee, Patricia  
 Honorary Treasurer

**BOSCO CHARITY ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN FUNDS AND RESERVES**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

	General <u>fund</u> HK\$	Capital <u>reserve fund</u> HK\$	<u>Total</u> HK\$
As at 1st October, 2018	257,984.58	832,571.00	1,090,555.58
<u>Total comprehensive income for the year</u>			
- surplus for the year	403,618.97	-	403,618.97
Members' entrance fee	-	1,000.00	1,000.00
As at 30th September, 2019	661,603.55	833,571.00	1,495,174.55
<u>Total comprehensive expense for the year</u>			
- deficit for the year	(322,180.65)	-	(322,180.65)
As at 30th September, 2020	339,422.90	833,571.00	1,172,993.90

**BOSCO CHARITY ASSOCIATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
<b>Operating activities</b>		
(Deficit)/surplus before tax	(322,180.65)	403,619
Adjustment for:		
Bank interest income	<u>(202.67)</u>	<u>(2,026)</u>
<b>Operating (deficit)/surplus before changes in working capital</b>	(322,383.32)	401,593
(Increase)/decrease in deposit and prepayment	(10,966.88)	453,364
Increase/(decrease) in receipts in advance	371,600.00	(1,116,380)
(Decrease)/increase in accruals	<u>(75,546.00)</u>	<u>8,452</u>
<b>Net cash used in operating activities</b>	<u>(37,296.20)</u>	<u>(252,971)</u>
 <b>Investing activity</b>		
Bank interest received	<u>202.67</u>	<u>2,026</u>
<b>Net cash generated from investing activity</b>	<u>202.67</u>	<u>2,026</u>
 <b>Financing activity</b>		
Increase in capital reserve fund	<u>-</u>	<u>1,000.00</u>
<b>Net cash generated from financing activity</b>	<u>-</u>	<u>1,000.00</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(37,093.53)</u>	<u>(249,945)</u>
Cash and cash equivalents at the beginning of the year	<u>1,611,145.28</u>	<u>1,861,090</u>
Cash and cash equivalents at the end of the year	<u><u>1,574,051.75</u></u>	<u><u>1,611,145</u></u>
 <b>Analysis of the balance of cash and cash equivalents</b>		
Bank balances	<u><u>1,574,051.75</u></u>	<u><u>1,611,145</u></u>

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

1. **GENERAL INFORMATION**

Bosco Charity Association Limited (the "Association") is a company limited by guarantee incorporated in Hong Kong. The Association's registered office is located at 5/F., Chung Nam House, No. 59 Des Voeux Road Central, Hong Kong.

Under the provision of the Association's Memorandum of Association, each member shall, in the event of the Association being wound up, contribute not more than HK\$10 to the assets of the Association.

The Financial Statements are presented in Hong Kong dollars, which is the same as the functional currency of the Association.

The Association is a charitable organization and is engaged in the offering of support services to power those in need, especially new immigrants and the poor, to reach their full potential and lead meaningful lives in their families and communities. During the year, there was no significant change in the Association's principal activities.

2. **BASIS OF PREPARATION AND ACCOUNTING POLICIES**

a.) STATEMENT OF COMPLIANCE

The Financial Statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and comply with the applicable requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except otherwise stated.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st October, 2019. The Association is in the process of making an assessment for the impact on the application of these new and revised HKFRSs to the Association's Financial Statements. The adoption of these new and revised HKFRSs is not expected to have any significant impact on its results of operations and financial position for the current and prior accounting periods of the Association.

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

**b.) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The preparation of Financial Statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**c.) IMPAIRMENT OF ASSETS**

Both internal and external sources of information are reviewed at the end of each reporting period to assess whether there is any indication that assets including fixed assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. An asset's recoverable amount is calculated at the higher of the asset's value in use or its net selling price. Such impairment losses are recognised in the Statement of Comprehensive Income except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for the same asset, in which case it is treated as a revaluation decrease.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the Statement of Comprehensive Income in the year in which the reversals are recognised.

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

d.) TRADE AND OTHER PAYABLES

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

e.) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, 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, having been within three months of maturity at acquisition. For the purposes of the Statement of Cash Flows, cash and cash equivalents would also include advances from banks repayable within three months from the date of the advance.

f.) EMPLOYEE BENEFITS

(i) Short term employee benefits

Salaries, annual bonuses, paid annual leave 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.

(ii) Pension obligations

The Association pays contributions to a defined contribution retirement scheme under the Mandatory Provident Fund Schemes ("MPF scheme") for all its eligible employees. The assets of the scheme are held in separate trustee-administrated funds. The Association has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

g.) INCOME TAX

Under section 88 of the Inland Revenue Ordinance, the Association is exempt from Hong Kong Profit tax and hence no deferred taxation is provided for in these Financial Statements.

h.) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for liabilities of uncertain timing or amount when the Federation has a 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 of economic benefits 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.

i.) REVENUE RECOGNITION

Revenue is recognised is measured at the fair value of the consideration received or receivable in the Statement of Profit or Loss and Other Comprehensive Income 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) Donations and sponsorship income are recognised for on an accrual basis;
- (ii) Membership fee income is recognised when no significant uncertainty as to the collectability exists or when fees are collected; and
- (iii) Interest income is incidental and is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

2. **BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

j.) RELATED PARTIES

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

- (a) A person or a close member of that person's family is related to the Association if that person:-
- (i) has control or joint control over the Association; or
  - (ii) has significant influence over the Association; or
  - (iii) is a member of the key management personnel of the Association or a parent of the Association.
- (b) 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 Association (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 Association of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (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.

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

j.) RELATED PARTIES (CONTINUED)

(b) An entity is related to the Association if any of the following conditions applies (continued):-

(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.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Association's management makes assumptions, estimates and judgements in the process of applying the Association's accounting policies that affect the assets, liabilities, income and expenses in the Financial Statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

**4. FINANCIAL RISK MANAGEMENT**

Exposure to liquidity risks arises in the normal course of the Association's operation. The Association's exposure to these risks and the financial risk management policies and practices used by the Association to manage these risks are described below.

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

4. **FINANCIAL RISK MANAGEMENT (CONTINUED)**

a.) Liquidity risk

The Association manages its fund conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

The maturity analysis based on contractual undiscounted cash flows of the Association's financial liabilities is as follows:

**2020**

	<u>Carrying amount</u> HK\$	<u>Total contractual cash flow</u> HK\$	<u>Within 1 year on demand</u> HK\$	<u>More than 1 year but less than 5 years</u> HK\$	<u>More than 5 years</u> HK\$
Receipts in advance	371,600.00	371,600.00	371,600.00	-	-
Accruals	43,490.00	43,490.00	43,490.00	-	-
Amount due to a general committee member	<u>4,258.00</u>	<u>4,258.00</u>	<u>4,258.00</u>	<u>-</u>	<u>-</u>
	<u>419,348.00</u>	<u>419,348.00</u>	<u>419,348.00</u>	<u>-</u>	<u>-</u>

**2019**

	<u>Carrying amount</u> HK\$	<u>Total contractual cash flow</u> HK\$	<u>Within 1 year on demand</u> HK\$	<u>More than 1 year but less than 5 years</u> HK\$	<u>More than 5 years</u> HK\$
Accruals	77,000	77,000	77,000	-	-
Amount due to a general committee member	<u>4,258</u>	<u>4,258</u>	<u>4,258</u>	<u>-</u>	<u>-</u>
	<u>81,258</u>	<u>81,258</u>	<u>81,258</u>	<u>-</u>	<u>-</u>

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

5. **INCOME**

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Donations and sponsorship income	18,197.00	2,095,275
Bank interest income	202.67	2,026
Other income - Employment Support Scheme	12,495.00	-
	<u>30,894.67</u>	<u>2,097,301</u>

6. **(DEFICIT)/SURPLUS BEFORE TAX**

The (deficit)/surplus before tax has been arrived at:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
After charging the following items:		
Auditor's remuneration	9,000.00	9,000
Sponsor expenses	50,000.00	621,068
Staff costs		
- Staff salaries and allowance	78,923.50	101,799
- Mandatory provident fund contributions	4,383.50	4,867
	<u>4,383.50</u>	<u>4,867</u>

7. **BENEFITS AND INTERESTS OF GENERAL COMMITTEE MEMBERS**

The General Committee Members did not receive or will not receive any fees and emoluments in respect of their services rendered to the Association (2019: Nil).

8. **TAXATION**

No provision for Hong Kong Profits Tax has been provided in the Financial Statements as the Association is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance (2019: Nil).

**BOSCO CHARITY ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2020**

**9. RECEIPTS IN ADVANCE**

The amount represents receipts in advance by the Association for charitable events.

**10. AMOUNT DUE TO A GENERAL COMMITTEE MEMBER**

The amount is unsecured, interest free and without fixed term of repayment.

The General Committee Members consider that the carrying amount of the amount due to a general committee member approximates its fair value.

**11. CONTINGENT LIABILITIES**

Per representations so made by the management of the Association, there are no contingent liabilities, assets and/or litigations of any kind known further and existing at end of the reporting period.

**12. CAPITAL MANAGEMENT**

Capital represents the General Fund and Capital Reserve Fund as stated in the Statement of Financial Position. The Association's primary objective when managing capital is to maintain sufficient reserves and to safeguard the Association's ability to continue as a going concern so the Association can carry out its principal activities.

The Association regularly reviews its capital structure by considering the cost of capital and the risks associated and will balance its overall capital structure when necessary.

The Association is not subject to externally imposed capital requirements.