

TEACH FOR HONG KONG FOUNDATION LIMITED

(Incorporated in Hong Kong with limited by guarantee)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**



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30/04/2021

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張麗昆會計師行

MORRIS & CO.

Certified Public Accountants (Practising)

Hong Kong

TEACH FOR HONG KONG FOUNDATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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TEACH FOR HONG KONG FOUNDATION LIMITED

DIRECTORS' REPORT

The Directors submit herewith their Report together with the audited financial statements for the year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The Company during the year is engaged in provision of quality education to underprivileged students by recruiting and nurturing passionate and outstanding university students to serve in schools with underprivileged students.

FINANCIAL 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 annexed financial statements.

DIRECTORS

The Directors who held office up to the date of this report were:-

| | |
|------------------------|-------------------------|
| Hwang Haewon | (Appointed on 1/1/2020) |
| Yong Wai Ting | (Appointed on 1/1/2020) |
| Wong Chang Zhe Ernest | (Appointed on 1/1/2020) |
| Yung Man Yan | (Appointed on 1/1/2020) |
| Chan Wing Ting Tina | (Appointed on 1/1/2020) |
| Chan Kwan Yeung Arnold | (Appointed on 1/7/2020) |
| Yip Chun Chun Ada | (Resigned on 1/1/2020) |
| Chun Ka Wai Cecilia | (Resigned on 1/1/2020) |
| Yuen Wai Leung | (Resigned on 1/1/2020) |
| Choy Rebecca Mei Pik | (Resigned on 1/1/2020) |
| Cheng Hiu Ling | (Resigned on 1/1/2020) |
| Elizabeth L, THOMSON | (Resigned on 1/1/2020) |
| Wong Frank Chi-hong | (Resigned on 1/1/2020) |
| Ma Jennifer Yin Wai | (Resigned on 1/1/2020) |
| Wong Wai Yee Louisa | (Resigned on 1/1/2020) |

In accordance with the Company's Articles of Association, all Directors continue to hold office.

OTHER MATTERS

At the date of this report, the Directors are not aware of any circumstances or otherwise dealt with in this report or the attached financial statements which would render any amount stated in the financial statements misleading.

AUDITORS

The financial statements have been audited by Morris & Co., who retire and being eligible, offer themselves for re-appointment.

On behalf of the Board



Chan Kwan Yeung Arnold
Director

Hong Kong, 16 November 2020

張麗昆會計師行

MORRIS & CO.

Certified Public Accountants (Practising)

香港上環永樂街 139 號永興商業大廈 17 字樓

17/F., Wing Hing Commercial Building, 139 Wing Lok Street, Sheung Wan, Hong Kong

Tel : 2142 7711 Fax : 2815 5323 E-mail : cpa@morriscopa.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEACH FOR HONG KONG FOUNDATION LIMITED *(incorporated in Hong Kong with limited by guarantee)*

OPINION

We have audited the financial statements of TEACH FOR HONG KONG FOUNDATION LIMITED ("the Company") set out on pages 5 to 11, which comprise the statement of financial position as at 30 June 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (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 Report of the Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

張麗昆會計師行

MORRIS & CO.

Certified Public Accountants (Practising)

香港上環永樂街 139 號永興商業大廈 17 字樓

17/F., Wing Hing Commercial Building, 139 Wing Lok Street, Sheung Wan, Hong Kong

Tel : 2142 7711 Fax : 2815 5323 E-mail : cpa@morriscopa.com

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. The 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 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 misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

張麗昆會計師行

MORRIS & CO.

Certified Public Accountants (Practising)

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT.)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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.



MORRIS & CO.

Certified Public Accountants (Practising)

Hong Kong, 16 November 2020

TEACH FOR HONG KONG FOUNDATION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

| | NOTE | 2020 HK\$ | 2019 HK\$ |
|---|------|-------------------------|-------------------------|
| INCOME | | | |
| Donation received | | 4,586,978 | 6,985,680 |
| Government grant | | 457,897 | - |
| School participation fee | | 3,560,000 | 3,600,000 |
| Ticket income | | - | 5,250 |
| | 2 | <u>8,604,875</u> | <u>10,590,930</u> |
| OTHER INCOME | | | |
| Bank interest earned | | 541 | 1,095 |
| Sundry income | | 57,664 | - |
| | | <u>8,663,080</u> | <u>10,592,025</u> |
| EXPENDITURE | | | |
| Program fellows stipends expenses | | (4,320,000) | (4,350,000) |
| Program fellows training and development expenses | | (278,929) | (364,018) |
| Program fellows recruiting expenses | | (535,546) | (409,141) |
| Program impact measurement | | (80,694) | (40,002) |
| Program management expenses | | (2,661,458) | (2,288,301) |
| Program of STEMpower | | (267,957) | (110,701) |
| HKJC edcubator | | - | (257,791) |
| Technology infrastructure | | (46,209) | (84,879) |
| Travelling | | (250) | - |
| Marketing and fundraising | | (24,273) | (58,156) |
| Management and administration expenses | | (503,872) | (565,395) |
| | | <u>(8,719,188)</u> | <u>(8,528,384)</u> |
| SURPLUS BEFORE TAXATION | 3 | (56,108) | 2,063,641 |
| INCOME TAX EXPENSE | 5 | <u>-</u> | <u>-</u> |
| SURPLUS / (DEFICIT) AFTER TAXATION | | (56,108) | 2,063,641 |
| ACCUMULATED SURPLUS BROUGHT FORWARD | | | |
| | | <u>3,879,638</u> | <u>1,815,997</u> |
| ACCUMULATED SURPLUS CARRIED FORWARD | | <u><u>3,823,530</u></u> | <u><u>3,879,638</u></u> |

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

TEACH FOR HONG KONG FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

| | NOTE | 2020 HK\$ | 2019 HK\$ |
|----------------------------|------|-------------------------|-------------------------|
| CURRENT ASSETS | | | |
| Accounts receivable | | 37,826 | - |
| Deposit | | 75,600 | 75,600 |
| PayPal | | 1,451 | 3,237 |
| Prepayment | | 284,480 | 128,301 |
| Cash and bank balances | 6 | <u>4,085,628</u> | <u>3,725,701</u> |
| | | <u>4,484,985</u> | <u>3,932,839</u> |
| CURRENT LIABILITIES | | | |
| Accounts payable | | (12,000) | (11,500) |
| Received in advance | | (416,500) | - |
| Due to a director | 7 | <u>(232,955)</u> | <u>(41,701)</u> |
| | | <u>(661,455)</u> | <u>(53,201)</u> |
| NET ASSETS | | <u><u>3,823,530</u></u> | <u><u>3,879,638</u></u> |
| Representing: | | | |
| ACCUMULATED SURPLUS | 8 | <u><u>3,823,530</u></u> | <u><u>3,879,638</u></u> |

Approved by the Board of Directors on 16 November 2020.



Chan Kwan Yeung Arnold
Director



Yung Man Yan
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

TEACH FOR HONG KONG FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 HK\$ | 2019 HK\$ |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Surplus before taxation | (56,108) | 2,063,641 |
| Adjustment for: | | |
| Bank interest earned | <u>(541)</u> | <u>(1,095)</u> |
| Operation surplus before working capital changes | (56,649) | 2,062,546 |
| | | |
| (Increase) / decrease in accounts received | (37,826) | - |
| (Increase) / decrease in deposit | - | 97,610 |
| (Increase) / decrease in PayPal | 1,786 | 23,507 |
| (Increase) in prepayment | (156,179) | (4,231) |
| Increase / (decrease) in accounts payable | 500 | 6,000 |
| Increase / (decrease) in received in advance | 416,500 | - |
| Increase / (decrease) in amount due to a director | <u>191,254</u> | <u>(70,908)</u> |
| Net cash generated from operating activities | 359,386 | 2,114,524 |
| | | |
| Cash flows from investing activities | | |
| Bank interest earned | <u>541</u> | <u>1,095</u> |
| | | |
| Net increase in cash and cash equivalents | 359,927 | 2,115,619 |
| | | |
| Cash and cash equivalents at beginning of the year | <u>3,725,701</u> | <u>1,610,082</u> |
| | | |
| Cash and cash equivalents at end of the year | <u><u>4,085,628</u></u> | <u><u>3,725,701</u></u> |

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

TEACH FOR HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

REPORTING ENTITY

Teach for Hong Kong Foundation Limited is a company incorporated in Hong Kong with limited by guarantee. The Company's registered office is located at Unit E-F, 17/F., Centre 600, 82 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company during the year is engaged in provision of quality education to underprivileged students by recruiting and nurturing passionate and outstanding university students to serve in schools with underprivileged students.

1) BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company qualifies for the reporting exemption as a small private 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 and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

a) Revenue

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

- (i) Government grants or other grants are recognized when there is reasonable assurance that the Company will comply with the conditions attaching with it and that the grants will be received;
- (ii) Income from fund raising and donations are entered in the financial statements on cash basis.

b) Cash and cash equivalents

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

TEACH FOR HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

2) REVENUE

An analysis of the Company's revenue is as follows:

| | 2020 | 2019 |
|--|------------------|-------------------|
| | HK\$ | HK\$ |
| Donation received | | |
| ASIA FINANCIAL - AFH CHARITABLE FOUNDATION LTD.. | 100,000 | - |
| BANKEE KWAN EDUCATION FUND LIMITED | - | - |
| BARING PRIVATE EQUITY ASIA LIMITED | 240,000 | 240,000 |
| BREAKTHROUGH LIMITED | | 800 |
| CAMBRIDGE HONG KONG AND CHINA AFFAIRS SOCIETY | 5,000 | - |
| CREDIT SUISSE (HONG KONG) LTD | - | 20,000 |
| EDNOVATORS LTD | - | 3,000 |
| FITZROY PHILANTHROPIC FUND | 480,000 | 480,000 |
| GOLDMAN SACHS (ASIA) | 7,660 | - |
| GOLDMAN SACHS MATCHING GIFT PROGRAM (GSALLC) | 29,621 | - |
| GOOD LAB FOUNDATION LIMITED | - | 2,500 |
| HK01 COMPANY LIMITED | - | 1,800 |
| HONEST KING LIMITED | 25,376 | |
| HONG KONG SHUE YAN UNIVERSITY LIMITED | 15,000 | 5,000 |
| MTR CORPORATION LIMITED | - | 300,000 |
| OBO COFRA FOUNDATION | 1,913 | |
| ROTARY CLUB OF GOLDEN BAUHINIA HONG KONG | - | 100,000 |
| SOCIAL IMPACT PARTNERS LIMITED | 700,000 | 800,000 |
| SWIRE PROPERTIES COMMUNITY CARE FUND | 80,000 | - |
| THE D. H. CHEN FOUNDATION | 1,110,326 | 1,854,616 |
| THE HONG KONG CLUB FOUNDATION LIMITED | 350,000 | 480,000 |
| THE HONG KONG COUNCIL OF SOCIAL SERVICE (BERNARD CHAN) | 50,000 | - |
| THE HONG KONG JOCKEY CLUB CHARITIES TRUST | 1,172,038 | 1,677,259 |
| THE UK ONLINE GIVING FOUNDATION | 4,421 | 3,828 |
| THE YEH FAMILY PHILANTHROPY | - | 3,000 |
| TUNG WAH COLLEGE | - | 3,000 |
| TRANSITION ASIA LIMITED | 12,688 | - |
| OTHERS | 202,935 | 1,010,877 |
| Government grant | 457,897 | - |
| School Participation fee | 3,560,000 | 3,600,000 |
| Ticket income | - | 5,250 |
| | <u>8,604,875</u> | <u>10,590,930</u> |

TEACH FOR HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

3) SURPLUS BEFORE TAXATION

| | | |
|---|------------------|------------------|
| Surplus before taxation is arrived at: | 2018 | 2019 |
| | HK\$ | HK\$ |
| After charging the following items: | | |
| Key management personnel's remuneration | - | - |
| Other staff costs | <u>2,618,543</u> | <u>2,345,140</u> |

4) DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance is as follows:

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

5) INCOME TAX EXPENSE

No provision for taxation is required in these financial statements as the Company is exempt from tax under Section 88 of the Inland Revenue Ordinance.

6) CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of financial position comprise the following amounts:

| | | |
|------------------------|------------------|------------------|
| | 2020 | 2019 |
| | HK\$ | HK\$ |
| Cash and bank balances | <u>4,085,628</u> | <u>3,725,701</u> |

7) DUE TO A DIRECTOR

The balance is unsecured, interest-free and repayable on demand.

8) CHANGES IN EQUITY

| | |
|----------------------|--------------------|
| | <u>Accumulated</u> |
| | <u>fund</u> |
| | HK\$ |
| As at 1 July 2019 | 3,879,638 |
| Deficit for the year | <u>(56,108)</u> |
| As at 30 June 2020 | <u>3,823,530</u> |

TEACH FOR HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

9) CORPORATE STRUCTURE

The Company is a company incorporated in Hong Kong with limited by guarantee and does not have a share capital. The Company's Articles of Association forbids the distribution of the Company's income and property among to its members. Such income and property shall be applied solely towards the promotion of the objects of the Company as set out in the Articles of Association.

10) APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on 16 November 2020.

TEACH FOR HONG KONG FOUNDATION LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020
(For management purposes only)

| | 2020 | 2019 |
|---|------------------------|-------------------------|
| | HK\$ | HK\$ |
| INCOME | | |
| Donation received | 4,586,978 | 6,985,680 |
| Government grant | 457,897 | - |
| School participation fee | 3,560,000 | 3,600,000 |
| Ticket income | - | 5,250 |
| | <u>8,604,875</u> | <u>10,590,930</u> |
| ADD: OTHER INCOME | | |
| Bank interest earned | 541 | 1,095 |
| Sundry income | 57,664 | - |
| | <u>8,663,080</u> | <u>10,592,025</u> |
| LESS: PROGRAM EXPENSES | | |
| Fellows stipends | 4,320,000 | 4,350,000 |
| Fellows training and development | 278,929 | 364,018 |
| Fellows recruiting | 535,546 | 409,141 |
| Fellows management | 2,661,458 | 2,288,301 |
| HKJC edcubator | - | 257,791 |
| Impact measurement | 80,694 | 40,002 |
| STEMpower | 267,957 | 110,701 |
| Technology infrastructure | 46,209 | 84,879 |
| Travelling | 250 | - |
| | <u>8,191,043</u> | <u>7,904,833</u> |
| LESS: ADMINISTRATIVE EXPENSES | | |
| Marketing and fundraising | 24,273 | 58,156 |
| Legal and administration | 503,872 | 565,395 |
| | <u>528,145</u> | <u>623,551</u> |
| SURPLUS / (DEFICIT) FOR THE YEAR | <u><u>(56,108)</u></u> | <u><u>2,063,641</u></u> |