

CERTIFIED TRUE COPY

**LA VIOLET CHARITY FOUNDATION LIMITED**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

灝龍會計師事務所

**HOLY & CO**

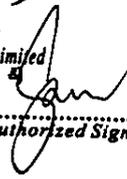
**CERTIFIED PUBLIC ACCOUNTANTS**

**(PRACTISING)**

**HONG KONG**

**CERTIFIED**  
 BY Company Secretary

For and on behalf of  
 CountAudit Secretarial Limited  
 昇數秘書有限公司



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 Authorized Signature(s)

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**HOLY & CO**  
**CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)**  
灝龍會計師事務所

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF LA VIOLET CHARITY FOUNDATION LIMITED**  
(Incorporated in Hong Kong with limited by guarantee)

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**OPINION**

We have audited the financial statements of La Violet Charity Foundation Limited ("the Company") set out on pages 4 to 9, which comprise the statement of financial position as at 31 December 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 responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on page 1 and the detailed income statement, 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 THE DIRECTORS FOR THE FINANCIAL STATEMENTS**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

**HOLY & CO**  
**CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)**  
灝龍會計師事務所

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF LA VIOLET CHARITY FOUNDATION LIMITED**  
(Incorporated in Hong Kong with limited by guarantee)

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to 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. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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.

  
Holy & Co  
Certified Public Accountants (Practising)  
Room A, 11/F, Yam Tze Commercial Building,  
23 Thomson Road, Wan Chai, Hong Kong

Date:

30 APR 2021

**LA VIOLET CHARITY FOUNDATION LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>DONATION INCOME</b>	3	144,947	153,600
<b>OTHER INCOME</b>	3	270,000	12
<b>SPONSORSHIP INCOME</b>	3	<u>4,035,839</u>	<u>3,226,711</u>
		4,450,786	3,380,323
<b>LESS: ADMINISTRATIVE EXPENSES</b>		(4,063,887)	(3,000,671)
<b>SURPLUS FOR THE YEAR</b>	4	<u>386,899</u>	<u>379,652</u>

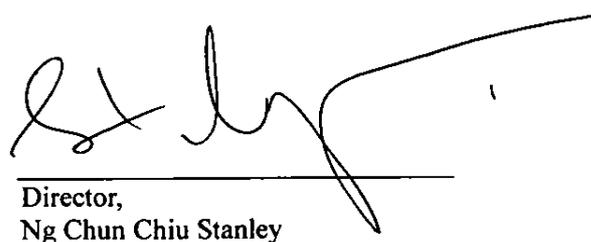
The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**LA VIOLET CHARITY FOUNDATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>CURRENT ASSETS</b>			
Other receivables		1,452,867	1,154,190
Cash and bank balances		422,722	1,154,190
		<u>1,875,589</u>	<u>1,154,190</u>
<b>CURRENT LIABILITIES</b>			
Accruals		41,000	6,500
Amount due to directors	7	300,000	(6,500)
		<u>(341,000)</u>	<u>(6,500)</u>
<b>NET CURRENT ASSETS AND NET ASSETS</b>			
		<u>1,534,589</u>	<u>1,147,690</u>
<b>RESERVES</b>			
Accumulated funds	8	<u>1,534,589</u>	<u>1,147,690</u>

Approved on behalf of the Board by:

  
 Director,  
 Wong Chung Fan

  
 Director,  
 Ng Chun Chiu Stanley

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

**LA VIOLET CHARITY FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. GENERAL**

**(a) CORPORATION INFORMATION**

La Violet Charity Foundation Limited is a company incorporated in Hong Kong under the Hong Kong Companies Ordinance as a Company limited by guarantee without a share capital. Every member of the Company undertakes to contribute to the assets of the Company if required in the event of its being wound up such amounts not exceeding HK\$100.

The Company is a charitable organisation engaged to organise youth activities and education. The address of its registered office is at Room 4C, Hong Kong Spinners Industrial Building, Phase 5, 760 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong.

**(b) REPORTING CURRENCY**

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$) rounded to the nearest one dollar.

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

**(a) STATEMENT OF COMPLIANCE AND BASIS OF MEASUREMENT**

These financial statements comply with all applicable sections of 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 bases adopted is the historical cost convention.

The Company qualifies for the reporting exemption as a small guarantee company under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with SME-FRS. The financial statements have been prepared in accordance with SME-FRS.

**(b) SIGNIFICANT ACCOUNTING POLICIES**

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

**REVENUE**

Revenue is recognised 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) Donation income is recognised in the financial year of receipts, and
- ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

**LA VIOLET CHARITY FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**(b) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CASH AND BANK BALANCES**

Cash and bank balances include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three to six months. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

**OTHER RECEIVABLES**

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.

**RELATED PARTIES**

For the purposes of these financial statements, parties are considered to be related if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities and include entities which are under the significant influence of related parties of the Company where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Company or of any entity that is a related party of the Company.

**3. REVENUE AND OTHER INCOME**

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

	<u>2020</u> HK\$	<u>2019</u> HK\$
Revenue		
Donation income	144,947	153,600
Other income		
Bank interest income	-	12
Government subsidy under anti-epidemic fund	270,000	-
Sponsorship income	4,035,839	3,226,711
	4,305,839	3,226,723
Total income	<u>4,450,786</u>	<u>3,380,323</u>

**CERTIFIED**

BY Company Secretary

For and on behalf of  
 CountAudit Secretarial Limited  
 算數秘書有限公司

Authorized Signature(s)

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**LA VIOLET CHARITY FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4. SURPLUS FOR THE YEAR**

Surplus for the year is arrived at after charging:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Operating lease payment - office	16,650	30,000
MPF	149,853	50,850
Staff costs	<u>873,617</u>	<u>1,071,402</u>

**5. DIRECTORS' REMUNERATION**

Remuneration of the directors (including former directors and shadow directors) of the Company 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 HK\$nil (2019: HK\$nil).

**6. INCOME TAX EXPENSE**

The Company is an approved charitable institution and is exempted from Hong Kong profits tax under section 88 of the Inland Revenue Ordinance.

**7. AMOUNT DUE TO DIRECTORS**

The amount due is unsecured, interest free and repayable on demand.

**8. CHANGES IN ACCUMULATED FUNDS**

	<u>Total</u>
	HK\$
Balance as at 1 January 2020	1,147,690
Surplus for the year	386,899
Balance as at 31 December 2020	<u>1,534,589</u>

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**LA VIOLET CHARITY FOUNDATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9. RELATED PARTY TRANSACTIONS**

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following transactions with related parties:

<u>Under Production Limited</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Manpower charges	<u>184,000</u>	<u>399,000</u>
Rental fee share	<u>-</u>	<u>30,000</u>
 <u>La Violet Education Consultants Limited</u>		
Manpower charges	<u>60,000</u>	<u>163,000</u>

Wong Chung Kit, a shareholder of the Company, controls both the Company and the related companies.

**10. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Company's Board of Directors on

30 APR 2021

**CERTIFIED**  
BY Company Secretary

For and on behalf of  
CountAudit Secretarial Limited  
算數秘書有限公司

.....  
Authorized Signature(s)

**La Violet Charity Foundation Limited**  
**For the year ended 31 December 2020**  
**Detailed income statement**  
(for management purposes only)

	HK\$	HK\$
Donation income		144,947
Other income		
Government subsidy under anti-epidemic fund	270,000	
Sponsorship income	<u>4,035,839</u>	4,305,839
		<u>4,450,786</u>
<b>Less: Administrative expenses</b>		
Advertising expenses	4,216	
Auditor's remuneration	6,500	
Bank charges	1,610	
Donation	29,450	
Electricity and water	3,600	
Freelance expenses	746,350	
Insurance	18,015	
Mandatory provident fund contribution	149,853	
Printing and postage	2,315	
Program and sponsor	2,209,746	
Program staff cost	873,617	
Rent and rates	16,650	
Sundry expenses	1,250	
Travelling	<u>715</u>	<u>4,063,887</u>
Surplus for the year		<u><u>386,899</u></u>

**Disclaimer**

The financial information on this page is not the Company's statutory annual financial statements for the year ended 31 December 2020. The Company's auditor has reported on those financial statements. The auditor's report was unqualified, did not include a reference to any matters and did not contain a statement under sections 406(2) or 407(2) or (3) of the Hong Kong Companies Ordinance.

**CERTIFIED**

BY Company Secretary

For and on behalf of  
CountAudit Secretarial Limited  
其數秘書有限公司

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Authorized Signature(s)

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