

CEDAR FUND
施達基金會

(Limited by Guarantee)

Reports and Financial Statements

For the year ended 30 June 2020



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CEDAR FUND

施達基金會

Reports and Financial Statements
For the year ended 30 June 2020

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Directors' Report

The directors have pleasure to present their annual report together with the audited financial statements of the Company for the year ended 30 June 2020.

Principal activities

The principal activities of the Company are organizing activities to relieve poverty, suffering and distress and prevent disease and ill health and provide disaster relief among the peoples of the world; and to promote education in poor communities.

Results

The financial performance and movement of reserves of the Company for the year ended 30 June 2020 and its financial position as at that date are set out in the financial statements on pages 4 to 10.

Directors

The directors who held office during the year and up to the date of this report were,

Mr. CHAN Nim Chung, Gerard

Ms. WAN Wai Yee

Mr. WONG Kwok Wai, Bernard

Mr. HUI Vincent

Ms. LAU Pui Ting, Christine

Mr. CHAN Ming Chuen

Ms. FUNG Wan Yi, Winnie

- appointed on 17 December 2019

Mr. LEE Chap Yung

- appointed on 17 December 2019

Mr. LI Shu Pui

- resigned on 17 December 2019

Mr. WONG Ho Lun

- resigned on 17 December 2019

Auditor

The financial statements have been audited by Messrs. LKY China who offer themselves for re-appointment.

On behalf of the Board


Mr. CHAN Nim Chung, Gerard
Chairman

Hong Kong, 29 NOV 2020



華強會計師事務所

LKY CHINA

Certified Public Accountants (Practising), Hong Kong

Independent Auditor's Report

To the Members of CEDAR FUND

(Incorporated in Hong Kong with liability limited by guarantee)

Partners:

甄達華會計師

JOSEPH T. W. YAN

FCPA (Practising), FCA,
FCCA, FTIHK, FSCA

蔡少芬會計師

NATALIE S.F. CHOY

CPA (Practising), FCCA,
MA (Acctg)

Principal:

張文傑主席

KEN M.K. CHEUNG

Opinion

We have audited the financial statements of CEDAR FUND ("the Company") set out on pages 4 to 10, which comprise the statement of financial position as at 30 June 2020, and the income statement and statement of changes in equity 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 Small and Medium-Sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

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 Directors' Report and 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 Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with 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.



華強會計師事務所

LKY CHINA

Certified Public Accountants (Practising), Hong Kong

Independent Auditor's Report (cont'd)

To the Members of CEDAR FUND

(Incorporated in Hong Kong with liability limited by guarantee)

Partners:

甄達華會計師
JOSEPH T. W. YAN
FCPA (Practising), FCA,
FCCA, FTIHK, FSCA

蔡少芬會計師
NATALIE S. F. CHOY
CPA (Practising), FCCA
MA (Accg)

Principal:

張文傑主管
KEN M.K. CHEUNG

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Hong Kong,

29 NOV 2020

Certified Public Accountants (Practising)

香港中環德輔道中99-105號大新人壽大廈五字樓

5th Floor, Dah Sing Life Building, 99-105 Des Voeux Road Central, Hong Kong

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CEDAR FUND**施達基金會****Income Statement**
For the year ended 30 June 2020

	Note	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Income	3	27,942,582	20,233,918
Grants disbursed		(8,610,016)	(10,041,414)
Relief project grants disbursed		(3,109,324)	(1,491,318)
HKSAR Grants for India Floods Relief		(10,091,000)	(3,613,000)
Project expenses		(2,417,887)	(2,781,767)
Community education		(2,565,834)	(2,134,069)
Gross profit		<u>1,148,521</u>	<u>172,350</u>
Dividend income		12,116	-
Sundry income		144,011	32,144
Administrative and other operating expenses		<u>(1,779,304)</u>	<u>(1,228,052)</u>
Bank interest income		(474,656) 46,088	(1,023,558) 82,801
Deficit for the year	4	<u>(428,568)</u>	<u>(940,757)</u>

CEDAR FUND

施達基金會

**Statement of Financial Position
as at 30 June 2020**

	<u>Note</u>	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Non-current assets			
Property and equipment	6	<u>4,210,557</u>	<u>4,381,903</u>
Current assets			
Investment	7	1,000,000	-
Prepayment and other receivables		357,185	293,804
Fixed deposits		2,453,040	2,475,760
Cash and bank balances		11,517,759	12,774,408
		<u>15,327,984</u>	<u>15,543,972</u>
Current liabilities			
Accrued charge and other payables		635,451	594,217
Net current assets		<u>14,692,533</u>	<u>14,949,755</u>
Net assets		<u>18,903,090</u>	<u>19,331,658</u>
Reserves			
Restricted funds		3,038,789	3,670,142
Unrestricted fund		15,864,301	15,661,516
		<u>18,903,090</u>	<u>19,331,658</u>

The financial statements together with accompany notes set out on pages 4 to 10 were approved and authorized for issue by the Directors on **29 NOV 2020** and are signed on its behalf by


Mr. CHAN Nim Chung, Gerard
Director


Mr. CHAN Ming Chuen
Director

CEDAR FUND
施達基金會

Statement of Changes in Reserves
For the year ended 30 June 2020

	Restricted Funds						Total Fund HK\$
	China Fund HK\$	Africa Fund HK\$	Asia Fund HK\$	Core Fund HK\$	Capital Fund HK\$	Unrestricted Fund HK\$	
Balance as at 1 July 2018	66,470	1,584	19,273	3,137,143	2,448,179	14,599,766	20,272,415
Income							
Donation income received during the year	240,557	59,700	927,207	12,363,873	-	655,008	14,246,345
Humanitarian Reponse to Rohingya Refugees in W. Myanmar	-	-	-	93,500	-	-	93,500
Appeal for South Asia Floods Relief	-	-	-	4,700	-	-	4,700
HKSAR Grants for South Asia Floods Relief	-	-	-	3,613,000	-	-	3,613,000
Appeal for Refugee Crisis Relief	-	-	-	280,770	-	-	280,770
Appeal for Indonesia Earthquake and Tsunami Relief	-	-	-	1,030,791	-	-	1,030,791
Disaster Preparedness & Relief Fund	-	-	-	477,921	-	-	477,921
Tear UK	445,972	-	-	-	-	40,919	486,891
	686,529	59,700	927,207	17,864,555	-	695,927	20,233,918
Expense							
Grants disbursed during the year	(2,546,196)	(1,774,945)	(5,717,127)	(3,146)	-	-	(10,041,414)
Relief Projects	-	-	-	(1,491,318)	-	-	(1,491,318)
HKSAR Grants for South Asia Floods Relief	-	-	-	(3,613,000)	-	-	(3,613,000)
Total grants disbursed	(2,546,196)	(1,774,945)	(5,717,127)	(5,107,464)	-	-	(15,145,732)
Project expenses during the year	(544,668)	-	-	(2,237,099)	-	-	(2,781,767)
Community education	-	-	-	(2,134,069)	-	-	(2,134,069)
10% Transfer to Unrestricted Fund	(3,090,864)	(1,774,945)	(5,717,127)	(9,478,632)	-	-	(20,061,568)
Transfer of Appeal to Unrestricted Fund	(68,653)	(5,970)	(92,721)	(1,236,387)	-	1,403,731	-
Transfer from Core Fund	2,500,000	1,750,000	4,900,000	(75,199)	-	75,199	-
	(659,517)	(30,915)	(909,848)	(9,150,000)	-	-	-
	27,012	28,785	17,359	(2,075,663)	-	1,478,930	(20,061,568)
Interest income	-	-	-	-	-	2,174,857	172,350
Other income	-	-	-	-	-	82,801	82,801
Administrative expenses	-	-	-	-	-	32,144	32,144
Surplus/(deficit) for the year	27,012	28,785	17,359	(2,075,663)	-	(1,228,052)	(1,228,052)
Balance as at 1 July 2019	93,482	30,369	36,632	1,061,480	2,448,179	15,661,516	19,331,658

Notes to the financial statements
For the year ended 30 June 2020

1. General information

The Company is a non-profit-making organization domiciled and incorporated in Hong Kong with liabilities of members limited by guarantee. The address of the registered office and principal place of business of the Company is Suite 504, 5/F., Rightful Centre, 12 Tak Hing Street, Kowloon, Hong Kong.

The principal activities of the Company are organizing activities to relieve poverty, suffering and distress and prevent disease and ill health and provide disaster relief among the peoples of the world; and to promote education in poor communities.

2. Basis of preparation and significant accounting policies

The Company qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance. The Company 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 issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the historical cost and accrual basis of accounting and on the basis that the Company is a going concern.

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

a. Property and equipment

Property and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. If not, the expenditure is treated as an expense in the year in which it is incurred.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives on a straight line basis.

b. Foreign exchange

The reporting currency of the Company is Hong Kong Dollars which is the currency of the primary economic environment in which the Company operates. Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of reporting date. Gains and losses on foreign exchange are recognised in the income statement.

c. Investment

Investment is stated at lower of cost and net realizable value.

CEDAR FUND**施達基金會****Notes to the financial statements
For the year ended 30 June 2020****2. Basis of preparation and significant accounting policies (cont'd)****d. Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Company 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 expenditure 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.

e. Revenue recognition

Subventions and all other revenue are accounted for on accrual basis.

f. Related parties

For the purposes of these financial statements, parties are considered to be related to the Company 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 (being members of key management personnel, significant shareholders and/ or their close family members) 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. Income

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Donations income	17,851,582	16,620,918
Government grants	10,091,000	3,613,000
	<u>27,942,582</u>	<u>20,233,918</u>

4. Deficit for the year

Deficit for the year is arrived at charging the following items,

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Directors' emoluments		
- as directors	-	-
- for management	-	-
	<u>-</u>	<u>-</u>
Staff cost		
- salaries	5,010,255	4,340,637
- contributions to defined contribution plan	222,231	202,797
	<u>5,232,486</u>	<u>4,543,434</u>
Auditor's remuneration	15,000	25,000
Depreciation	219,151	220,615
Grants disbursed to a related association, of which under common control	1,996,148	2,346,312

CEDAR FUND

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**Notes to the financial statements
For the year ended 30 June 2020****5. Taxation**

The Company has been exempted under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character.

6. Property and equipment

	<u>Land and building</u> HK\$	<u>Leasehold Improvement</u> HK\$	<u>Office Furniture</u> HK\$	<u>Office Equipment</u> HK\$	<u>Total</u> HK\$
Cost					
As at 1.7.2019	7,180,519	438,024	607,355	191,263	8,417,161
Additions during the year	-	-	47,491	314	47,805
As at 30.6.2020	<u>7,180,519</u>	<u>438,024</u>	<u>654,846</u>	<u>191,577</u>	<u>8,464,966</u>
Aggregate depreciation					
As at 1.7.2019	2,966,519	421,888	477,701	169,150	4,035,258
Charge for the year	134,761	8,068	70,152	6,170	219,151
As at 30.6.2020	<u>3,101,280</u>	<u>429,956</u>	<u>547,853</u>	<u>175,320</u>	<u>4,254,409</u>
Net carrying amount					
As at 30.6.2020	<u>4,079,239</u>	<u>8,068</u>	<u>106,993</u>	<u>16,257</u>	<u>4,210,557</u>
As at 30.6.2019	<u>4,214,000</u>	<u>16,136</u>	<u>129,654</u>	<u>22,113</u>	<u>4,381,903</u>

The land and building are held under medium-term leases in Hong Kong. Depreciation is charged on straight line basis at the following annual rates,

Land and buildings	over the unexpired term of leases
Others	20% per annum

7. Investment

Investments represents listed equity investments stated at cost, less any provision for permanent diminution in value.

8. Material related party transaction

The details of transactions and balances between the Company and related parties are disclosed elsewhere in these financial statements.

CEDAR FUND
施達基金會

Detailed Income Statement
For the year ended 30 June 2020
(For management information only)

	<u>2020</u> <u>HK\$</u>	<u>2019</u> <u>HK\$</u>
Income	27,942,582	20,233,918
Grants disbursed	(8,610,016)	(10,041,414)
Relief project grants disbursed	(3,109,324)	(1,491,318)
HKSAR Grants for India Floods Relief	(10,091,000)	(3,613,000)
Project expenses	(2,417,887)	(2,781,767)
Community education	(2,565,834)	(2,134,069)
Gross profit	<u>1,148,521</u>	<u>172,350</u>
Dividend income	12,116	-
Sundry income	144,011	32,144
Bank interest income	46,088	82,801
	<u>1,350,736</u>	<u>287,295</u>
Administrative expenses		
Audit fee	3,750	25,000
Consultant Fee	4,000	-
Depreciation	219,151	220,615
Electricity and water	5,550	6,685
Insurance	3,084	3,383
Internet charges	15,445	19,130
Loss on exchange	116,569	49,859
Management fee and cleaning expenses	20,722	16,037
Mandatory provident fund contribution	53,430	36,447
Membership dues	8,665	8,848
Printing and stationery	5,706	5,589
Rent and rates	1,631	1,275
Rental fee	7,019	-
Salaries	1,150,780	680,240
Staffs training	100,994	94,900
Staffs welfare	22,672	12,174
Long service payment	6,779	14,389
Sundry expenses	4,816	5,621
Telephone	9,238	9,287
Transportation	5,490	6,515
Travelling	5,313	3,158
Volunteers' honorarium	8,500	8,900
	<u>1,779,304</u>	<u>1,228,052</u>
Deficit for the year	<u>(428,568)</u>	<u>(940,757)</u>