

**BIRDINTREE FOUNDATION LIMITED**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2020**  
**(FOR COMPANIES REGISTRY)**

*Presented by:*



**CHAN, LAM & COMPANY**  
Certified Public Accountants (Practising)  
陳鎮中，林志偉 會計師事務所



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# BIRDINTREE FOUNDATION LIMITED

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## **R**EPORT OF THE DIRECTORS

The directors herewith present their annual report and the audited financial statements of Birdintree Foundation Limited (“the Association”) for the year ended 31st March 2020.

### **Principal activities**

The principal activities of the Association were engaged in the promotion, organization and carry out art and design education activities for advancement of education and relief of poverty on a non-profit making.

### **Results and appropriations**

The results of the Association for the year ended 31st March 2020 and the state of affairs of the Association as at that date are set out in the attached financial statements.

The directors do not recommend the payment of any dividend for the year ended 31st March 2020.

### **Directors**

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

WAN Wai Nang;  
FAN Hao Ling; and  
LIU Kit Lin Esther.

In accordance with Article 27 of the Articles of Association, a retiring director shall be eligible for reappointment to the office.

### **Directors’ interests in contract**

No contract of significance to which the Association was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### **Event after the reporting period**

No significant events have been taken place subsequent to the reporting date.

### **Independent Auditors**

The financial statements have been audited by Messrs. Chan, Lam & Company, Certified Public Accountants (Practising), who retire and, being eligible, offer themselves for re-appointment.

A resolution for the re-appointment of Messrs. Chan, Lam & Company, Certified Public Accountants (Practising) as auditors of the Association is to be proposed at the forthcoming annual general meeting.

On behalf of the board



LIU Kit Lin Esther  
Chairman  
Hong Kong, 7th December 2020



# **I**NDEPENDENT AUDITOR'S REPORT

## **TO THE MEMBERS OF BIRDINTREE FOUNDATION LIMITED**

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

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Birdintree Foundation Limited ("the Association") set out on pages 6 to 11, which comprise the statement of financial position as at **31st March 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 Association 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 PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard issue 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 the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of matters*

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which indicates that the Company incurred a net deficit of HK\$165,187.38 during the year ended **30th September 2019** and, as of that date, the Company had a deficiency in assets of HK\$86,723.93. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern.

#### *Other information*

The directors are responsible for the other information. The other information comprises the directors' report, 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.



## **I**NDPENDENT AUDITOR'S REPORT

### **TO THE MEMBERS OF BIRDINTREE FOUNDATION LIMITED - continued**

#### *Responsibilities of 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 Association'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 Association or to cease operations, or have no realistic alternative but to do so.

#### *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. 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 this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgement 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.



## **I**NDPENDENT AUDITOR'S REPORT

### **TO THE MEMBERS OF BIRDINTREE FOUNDATION LIMITED - continued**

#### *Auditor's responsibilities for the audit of the financial statements - continued*

- Conclude on the appropriateness of the director's 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 the board of director 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.

**CHAN, LAM & COMPANY**  
**Certified Public Accountants (Practising)**

Hong Kong, 7th December 2020

**BIRDINTREE FOUNDATION LIMITED**

**I****NCOME STATEMENT - for the year ended 31st March 2020**

	Note	<u>2020</u> HK\$	<u>2019</u> HK\$
<b>Income</b>			
General donation	4	115,918.00	100,000.00
Activities income	6	127,541.41	-
<b>Other income</b>			
Bank interest received	4	<u>105.69</u>	<u>43.73</u>
<b>Total income</b>		<b>243,565.10</b>	<b>100,043.73</b>
<b>Expenses</b>			
Activities expenses	6	404,434.48	17,919.28
Audit fee		2,000.00	2,000.00
Depreciation		2,318.00	2,318.00
Legal and professional fees		-	4,115.00
Printing and stationery		-	500.00
<b>Total expenses</b>		<u>408,752.48</u>	<u>26,852.28</u>
<b>(Deficits) / Surplus before taxation</b>		<b>(165,187.38)</b>	<b>73,191.45</b>
Income tax expenses	7	<u>-</u>	<u>-</u>
<b>(Deficits) / Surplus for the year</b>		<u><u>(165,187.38)</u></u>	<u><u>73,191.45</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with these financial statements.

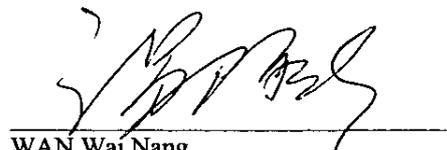
**BIRDINTREE FOUNDATION LIMITED**

**S** **STATEMENT OF FINANCIAL POSITION**  
 – as at 31st March 2020

	Note	<u>2020</u>	<u>2019</u>
		HK\$	HK\$
<b>ASSETS</b>			
<i>Non-current assets</i>			
Furniture and equipment	9	4,636.00	6,954.00
		4,636.00	6,954.00
<i>Current assets</i>			
Cash and bank		366,803.83	91,428.73
		366,803.83	91,428.73
<i>Current liabilities</i>			
Receipt in advance		36,120.00	-
Accrued expenses		422,043.76	19,919.28
		458,163.76	19,919.28
<b>Net current (liabilities) / assets</b>		(91,359.93)	71,509.45
<b>Total assets less current liabilities</b>		(86,723.93)	78,463.45
<i>Non current liabilities</i>			
		-	-
<b>Net (liabilities) / assets</b>		(86,723.93)	78,463.45
<b>CAPITAL AND RESERVES</b>			
Reserves fund	10	(86,723.93)	78,463.45
<b>Equity attributable to members of the Association</b>		(86,723.93)	78,463.45

Approved and authorised for issue by the executive directors on 7th December 2020.

  
 \_\_\_\_\_  
 LIU Kit Lin Esther  
 Chairman

  
 \_\_\_\_\_  
 WAN Wai Nang  
 Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with these financial statements.

# **N**OTES TO THE FINANCIAL STATEMENTS - for the year ended 31st March 2020

## **1. Corporate information**

Birdintree Foundation Limited (“the Association”) is incorporated in Hong Kong under the Hong Kong Companies Ordinance. It is an Association which is limited by guarantee and without a share capital. The address of the registered office and principal place of business of the Association is at 2/F., No.223 Sai Yee Street, Prince Edward, Kowloon, Hong Kong. The Association is moved to 3/F., No. 225 Sai Yee Street, Prince Edward, Kowloon, Hong Kong since 1st December 2020.

Every member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound up while he or she is a member or within one year afterwards for payment of the debts and liabilities of the Association contracted before he or she ceased to be a member, and of the costs, charges, and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding the sum of HK\$10.

The reporting currency of the Association is Hong Kong dollars, which is the currency of the primary economic environment in which the Association operates. The principal activities of the Association were engaged in the promotion, organization and carry out art and design education activities for advancement of education and relief of poverty on a non-profit making.

## **2. Basis of preparation**

The Association qualifies for the reporting exemption as a small guarantee company under section 359 (1)(a) for the Hong Kong Companies Ordinance (Cap. 622). The Association is therefore entitled to prepare and present its financial statements in accordance with Small and Medium-sized Entity Financial Reporting Standard (the “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 Association is a going concern.

The measurement base adopted is the historical cost convention.

The financial statements have been prepared in conformity with the principles applicable to a going concern. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in the future in view of excess of liabilities over assets. The shareholders have undertaken to make available adequate funds to the Company as and when required to maintain the Company as a going concern.

## **3. Significant accounting policies**

### *3.1 Revenue recognition*

Revenue is recognised 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:

- Donation income, event income were recognised when received
- Interest income is recognised on a time proportion basis taken into account the principal outstanding and the interest rate applicable

**N**OTES TO THE FINANCIAL STATEMENTS - continued  
- for the year ended 31st March 2020

**3. Significant accounting policies – continued**

**3.2 Provisions and contingent liabilities**

Provisions are recognized when the Association has a present legal or constructive obligation as a result of a past event if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Association expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognized as a provision.

**3.3 Related parties**

(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;
- (ii) has significant influence over the Association; or
- (iii) is a member of the key management personnel of the Association or the Association's parent.

(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 group (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 group 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 Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (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).

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.

**N**OTES TO THE FINANCIAL STATEMENTS - continued  
- for the year ended 31st March 2020

3. Significant accounting policies – continued

3.43 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciated amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation is as follows:

✧ Furniture and equipment 20%

4. Revenue and other income

Revenue represents the total donation and event income received during the year.

An analysis of the Company's other income is as follows:

<i>Other income</i>	<u>2020</u> HK\$	<u>2019</u> HK\$
Bank interest received	105.69	43.73
	<u>105.69</u>	<u>43.73</u>

5. Finance costs

There was no finance costs incurred during the year.

6. Activities income / expenses

	<u>2020</u>		<u>2019</u>	
	Income HK\$	Expenses HK\$	Income HK\$	Expenses HK\$
躍動心弦的故事	24,421.41	398,666.88	-	-
教育大同導師培訓	27,000.00	408.00	-	-
聲閃閃繪本創意啟動課程 (一)	36,120.00	265.80	-	-
片片竹簡齊學親子工作坊	20,000.00	352.00	-	-
喜鳥秀繡親子工作坊	20,000.00	959.50	-	-
小老鼠大世界2020	-	3,782.30	-	-
狗狗回家過肥年	-	-	-	5,985.20
七彩花豬大步走	-	-	-	11,911.08
25周年免費藝術教育講座	-	-	-	23.00
	<u>127,541.41</u>	<u>404,434.48</u>	<u>-</u>	<u>17,919.28</u>

**N**OTES TO THE FINANCIAL STATEMENTS - continued  
- for the year ended 31st March 2020

**7. Income tax expenses**

No Hong Kong profit tax has been provided in the accounts as the Association is exempted under Section 88 of the Inland Revenue Ordinance (2019 : Nil).

**8. Directors' remuneration**

None of the directors received or will receive any fees or emoluments in respect of their service to the Association during the year (2019 : Nil).

**9. Property, plant and equipment**

Cost	Furniture and Equipment	Total
	HK\$	HK\$
<i>Balance as at 1.4.2019</i>	11,590.00	11,590.00
Additions	-	-
<i>Balance as at 31.3.2020</i>	11,590.00	11,590.00
<b>Aggregate depreciation</b>		
<i>Balance as at 1.4.2019</i>	4,636.00	4,636.00
Charge for the year	2,318.00	2,318.00
<i>Balance as at 31.3.2020</i>	6,954.00	6,954.00
<b>Net book value</b>		
<i>Balance as at 31.3.2020</i>	4,636.00	4,636.00
<i>Balance as at 31.3.2019</i>	6,954.00	6,954.00

**10. Changes in funds**

	Accumulated fund	Total
	HK\$	HK\$
<i>Balance as at 1.4.2019</i>	78,463.45	78,463.45
(Deficits) for the year	(165,187.38)	(165,187.38)
<i>Balance as at 31.3.2020</i>	(86,723.93)	(86,723.93)

**11. Related party transactions**

There was no related material party transaction during the year.