

AMRITA INTERNATIONAL CHARITABLE FOUNDATION LIMITED
大慈恩國際慈善基金有限公司

DIRECTORS' REPORT
&
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

黃 著 峯 會 計 師 事 務 所
WONG C. FUNG & CO.
Certified Public Accountants
Hong Kong



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AMRITA INTERNATIONAL CHARITABLE FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st December 2020.

PRINCIPAL ACTIVITY

The principal activities of the Foundation are advance and promote the Buddhist religion or Buddhist beliefs in Hong Kong as a non-commercial and non-profit making organisation.

DIRECTORS

The directors of the Foundation during the year and up to the date of this report were:

Chou Chien Kuo
Sik Wai Tat
Lin Chien Cheng
Pang Ka Wing Steven
Wong Ting Ting
Li Heung Hing
Lai Yen-Wei

In accordance with article 46 of the Foundation's articles of association, directors shall retire at every two years, and being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

At no time during the year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Foundation.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Foundation.

BUSINESS REVIEW

The Foundation falls within reporting exemption for the financial year. Accordingly, the Foundation is exempted from preparing a business review.

MANAGEMENT CONTRACT

None of the directors has had a management contract with the Foundation.

SHARES AND DEBENTURE ISSUED

During the year, the Foundation did not issue any shares or debenture.

EQUITY-LINKED ARRANGEMENTS

During the year, the Foundation did not enter into any equity-linked agreements.

On behalf of the board:



Chou Chien Kuo
Chairman

Hong Kong, 29 SEP 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMRITA INTERNATIONAL CHARITABLE FOUNDATION LIMITED
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Amrita International Charitable Foundation Limited ("the Foundation") set out on pages 6 to 12 which comprise the statement of financial position as at 31st 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 Foundation 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 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 Foundation 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.

Information Other than the Financial Statements and Auditor's Report Thereon

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.

INDEPENDENT AUDITOR'S REPORT (Continued)

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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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. 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 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors .

INDEPENDENT AUDITOR'S REPORT (Continued)

- 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 Foundation'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 Foundation 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.



Wong C. Fung & Co.
Certified Public Accountants

Hong Kong, 29 SEP 2021

AMRITA INTERNATIONAL CHARITABLE FOUNDATION LIMITED(LIMITED BY GUARANTEE)INCOME STATEMENTFOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

	NOTE	<u>2020</u>	<u>2019</u>
Revenue	2	\$ 1,428,890	\$ 2,237,946
Other income		33,013	350
Administrative expenses		<u>(1,034,976)</u>	<u>(1,891,501)</u>
Surplus for the year	3	<u>\$ 426,927</u>	<u>\$ 346,795</u>

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

AMRITA INTERNATIONAL CHARITABLE FOUNDATION LIMITED(LIMITED BY GUARANTEE)STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

	NOTE	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	7	\$ 46,236	\$ 90,423
CURRENT ASSETS			
Rental and utility deposits		\$ 152,750	\$ 153,500
Prepayment		1,000	60,817
Cash and bank balances		2,251,089	1,736,586
		\$ 2,404,839	\$ 1,950,903
TOTAL ASSET		<u>\$ 2,451,075</u>	<u>\$ 2,041,326</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Accrued expenses		\$ 3,500	\$ 7,398
Receipt in advanced		538,280	551,560
TOTAL LIABILITIES		\$ 541,780	\$ 558,958
RESERVES			
RETAINED SURPLUS	8	\$ 1,909,295	\$ 1,482,368
TOTAL LIABILITIES AND EQUITY		<u>\$ 2,451,075</u>	<u>\$ 2,041,326</u>

Approved by the Board of directors on **29 SEP 2021**
 For and on behalf of the Board



Chou Chien Kuo
 Director



Sik Wai Tat
 Director

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

AMRITA INTERNATIONAL CHARITABLE FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

ACCOUNTUNG POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

REPORTING ENTITY

Amrita International Charitable Foundation Limited was incorporated in Hong Kong under the predecessor Hong Kong Companies Ordinance (Cap.32) as a company limited by guarantee. The Foundation's registered office and principal place of business is at Room C, 8/F., 521 Nathan Road, Yau Ma Tei, Kowloon, Hong Kong. The principal activities of the Foundation are advance and promote the Buddhist religion or Buddhist beliefs in Hong Kong as a non-commercial and non-profit making organisation.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Foundation qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) 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 Foundation is a going concern.

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

a) Revenue

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

- i) Donation income and events income are recognised to the extent of cash received and receivable.
- ii) Events income is recognised when the events are hold.
- iii) Interest income is recognized on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

b) Property, plant and equipment

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

The depreciable 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 are as follows:

Furniture and equipment	20%
Leasehold improvement	20%

c) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

e) Foreign currency

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 the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

f) Lease

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

2. REVENUE

An analysis of the Foundation's revenue is as follow:

	<u>2020</u>	<u>2019</u>
Donation income	\$ 397,521	\$ 474,142
Events income	1,031,369	1,763,804
	<u>1,428,890</u>	<u>2,237,946</u>

3. SURPLUS FOR THE YEAR

Surplus for the year is arrived at after charging and crediting the following:-

	<u>2020</u>	<u>2019</u>
Charging:-		
Auditors' remuneration	\$ 3,500	\$ 3,500
Depreciation	46,185	45,785
Rental under operating leases in respect of land and building	437,000	516,000
Staff costs (Note 4)	<u>145,363</u>	<u>268,774</u>
Crediting:-		
Government subsidy on "Employment Support Scheme"	33,000	-
Interest income	<u>13</u>	<u>350</u>

4. STAFF COST

	<u>2020</u>	<u>2019</u>
Salaries and allowances	\$ 138,032	\$ 248,000
MPF contribution	6,902	12,450
Messing	429	8,324
	<u>\$ 145,363</u>	<u>\$ 268,774</u>

5. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made in the financial statements as the Foundation is a charitable institution exempted under Section 88 of the Inland Revenue Ordinance.

6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	<u>2020</u>	<u>2019</u>
Acting as directors	\$ -	\$ -
Provision for management services	-	-
	<u>\$ -</u>	<u>\$ -</u>

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture and equipment</u>	<u>Leasehold improvement</u>	<u>Total</u>
Cost:-			
At 1st January 2020	\$ 92,624	\$ 136,304	\$ 228,928
Additions for the year	1,998	-	1,998
31st December 2020	<u>\$ 94,622</u>	<u>\$ 136,304</u>	<u>\$ 230,926</u>
Aggregate Depreciation:-			
At 1st January 2020	\$ 60,936	\$ 77,569	\$ 138,505
Charge for the year	18,923	27,262	46,185
31st December 2020	<u>\$ 79,859</u>	<u>\$ 104,831</u>	<u>\$ 184,690</u>
Net book value:-			
At 31st December 2020	<u>\$ 14,763</u>	<u>\$ 31,473</u>	<u>\$ 46,236</u>
At 31st December 2019	<u>\$ 31,688</u>	<u>\$ 58,735</u>	<u>\$ 90,423</u>

8. CHANGES IN EQUITY

	<u>Retained surplus</u>
Balance as at 1st January 2019	\$ 1,135,573
Surplus for the year	346,795
Balance as at 31st December 2019	<u>\$ 1,482,368</u>
Balance as at 1st January 2020	\$ 1,482,368
Surplus for the year	426,927
Balance as at 31st December 2020	<u>\$ 1,909,295</u>

9. OPERATING LEASE COMMITMENTS

At the year-end, the Foundation had outstanding commitments under non-cancellable operating leases that fall due as follows:

	<u>2020</u>	<u>2019</u>
Within one year	\$ 523,500	\$ 266,000
Later than one year but within five years	<u>213,500</u>	<u>378,000</u>
	<u>\$ 737,000</u>	<u>\$ 644,000</u>

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on **29 SEP 2021**

(For Management Purposes Only)

AMRITA INTERNATIONAL CHARITABLE FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

REVENUE			
Donation income	\$	397,521	
Events income		<u>1,031,369</u>	
			\$ 1,428,890
SUNDRY INCOME	\$	33,000	
INTEREST INCOME		<u>13</u>	
			<u>33,013</u>
			\$ 1,461,903
LESS : EXPENSES			
Administrative expenses			<u>1,034,976</u>
SURPLUS FOR THE YEAR			<u><u>\$ 426,927</u></u>

(For Management Purposes Only)

AMRITA INTERNATIONAL CHARITABLE FOUNDATION LIMITED

(LIMITED BY GUARANTEE)

SCHEDULES ON ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Hong Kong Dollars)

ADMINISTRATIVE EXPENSES

Auditors' remuneration	\$	3,500
Bank charges		8,726
Cleaning		813
Computer expenses		6,620
Consumable		5,372
Depreciation		46,185
Donations		203,242
Electricity and water		1,692
Entertainment		540
Event expenses		163,099
Insurance		2,629
Legal fee		3,000
Messing		429
MPF contribution		6,902
Postage and courier		253
Printing & Stationery		3,231
Repair & maintenance		350
Rent		437,000
Salaries and allowances		138,032
Stamp duty		765
Sundry expenses		706
Telephone expenses		1,890
	\$	<u>1,034,976</u>