

A.J.R. CHARITABLE FOUNDATION LIMITED

FINANCIAL STATEMENTS

For the year ended 31st December, 2020

T. C. NG & CO. C.P.A. LIMITED

伍子材會計師事務所有限公司

CERTIFIED PUBLIC ACCOUNTANTS

HONG KONG



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A.J.R. CHARITABLE FOUNDATION LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report and the audited financial statements for the year ended 31st December, 2020.

Principal Activities

The Company is a charitable institution of a public character.

Results

Surplus for the year amounted to	\$ 424,871.65
Accumulated Surplus brought forward	685,602.14
Accumulated Surplus to be carried forward	<u>\$1,110,473.79</u>

Charitable and Other Donations

During the year, the Company made charitable donations amounting to \$241,668.00 (2019 - \$313,797.00).

Directors

(a) The following persons are Directors of the Company during the year and at the date of this report are -

Chu Chor Lup
Yeong Hoi Hsuan, Pauline
Chan Chung Yee, Hubert

In accordance with the Company's Articles of Association, all the Directors in office retire and, being eligible, offer themselves for re-election.

(b) Contract of Management -

During the year no contract for management and administration of a substantial part of the Company's business by a person other than a director or full-time employee of the Company was entered into or subsisted at the end of the year.

(c) Other disclosures required by the Companies Ordinance are detailed in Note 3 on the financial statements.

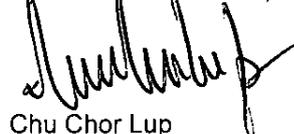
Permitted Indemnity

Pursuant to the Company's Articles of Association and subject to the provisions of the Companies Ordinance, every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. This permitted indemnity provision is currently in force and was in force throughout this year.

Auditors

Messrs. T. C. Ng & Co. C.P.A. Limited are the Company's retiring auditors who, being eligible, offer themselves for re-appointment.

By Order of the Board,



Chu Chor Lup
Chairman.

Hong Kong, 9th September, 2021.

T.C. NG & Co CPA Ltd
Certified Public Accountants

AUDIT, TAX, BUSINESS ADVISORY & OUTSOURCING

CHIU NGAR WING 趙雅穎
CPA (Practising) FCCA ACA

MAN KING CHI, EDDIE 文景智
CPA (Practising) FCA MSc

NG SHU BUN, ANDREW 伍樹彬
CPA (Practising) FCA BA

伍子材會計師事務所有限公司

13/F., AMBER COMMERCIAL BUILDING, 70 MORRISON HILL ROAD, WANCHAI, H.K.
香港灣仔摩利臣山道七十號凱利商業大廈十三字樓
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
A.J.R. CHARITABLE FOUNDATION LIMITED**
(Incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of A.J.R. Charitable Foundation Limited ("the Company") set out on pages 4 to 8, which comprise the statement of financial position as at 31st December, 2020, and the income statement and statement of changes in accumulated fund 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 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 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 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.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of 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. 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 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.



T. C. Ng & Co. C.P.A. Limited
Certified Public Accountants.

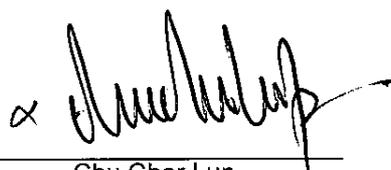
Hong Kong, 9th September, 2021.
Director in Charge : Ng Shu Bun, Andrew
Practising Certificate Number : P05198

A.J.R. CHARITABLE FOUNDATION LIMITED

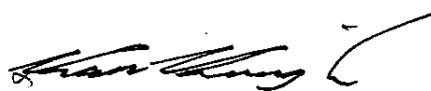
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2020
(Amounts Expressed in Hong Kong Dollars)

<u>2019</u>		<u>2020</u>
	ASSETS	
	<u>Current Assets</u>	
\$692,527.14	Cash at Bank	\$1,117,398.79
	<u>Current Liabilities</u>	
<u>6,925.00</u>	Amount due to Director	<u>6,925.00</u>
<u>\$685,602.14</u>	NET ASSETS	<u>\$1,110,473.79</u>
	RESERVES	
<u>\$685,602.14</u>	<u>Accumulated Surplus</u>	<u>\$1,110,473.79</u>

These financial statements were approved by the Board of Directors
on 9th September, 2021.



Chu Chor Lup
Director



Chan Chung Yee, Hubert
Director

A.J.R. CHARITABLE FOUNDATION LIMITED

INCOME STATEMENT
For the year ended 31st December, 2020
(Amounts Expressed in Hong Kong Dollars)

<u>2019</u>			<u>2020</u>
	Income -		
\$630,500.00	Donations Received	\$670,900.00	
<u>407.49</u>	Interest Received	<u>4.65</u>	
<u>\$630,907.49</u>			\$470,904.65
	Expenditure -		
\$313,797.00	Donations	\$241,668.00	
<u>4,405.00</u>	Sundry Expenses	<u>4,365.00</u>	
<u>\$318,202.00</u>			<u>246,033.00</u>
<u>\$312,705.49</u>	Surplus for the year		<u>\$424,871.65</u>

A.J.R. CHARITABLE FOUNDATION LIMITED

STATEMENT OF CHANGES IN ACCUMULATED FUND

For the year ended 31st December, 2020
(Amounts Expressed in Hong Kong Dollars)

	<u>Accumulated Surplus</u>	<u>Total</u>
Balance at 31st December, 2018	\$ 372,896.65	\$ 372,896.65
Surplus for the year	<u>312,705.49</u>	<u>312,705.49</u>
Balance at 31st December, 2019	\$ 685,602.14	\$ 685,602.14
Surplus for the year	<u>424,871.65</u>	<u>424,871.65</u>
Balance at 31st December, 2020	<u>\$1,110,473.79</u>	<u>\$1,110,473.79</u>

A.J.R. CHARITABLE FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020 (Amounts Expressed in Hong Kong Dollars)

1. REPORTING ENTITY

A.J.R. Charitable Foundation Limited is a company incorporated in Hong Kong and is limited by guarantee. The Company is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Flat A, 2/F., Sun Kai Mansion, 38-46 Hennessy Road, Hong Kong. The Company is a charitable institution of a public character. Under the provision of its Memorandum and Articles of Company, every member shall, in the event of the Company being wound up, contribute such amount as may be required to meet the liabilities of the Company but not exceeding the sum of HK\$100.00 each.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

(b) Income and Expenditure are recorded on a cash basis.

(c) Related Parties -

For the purposes of these financial statements, related party includes a person and entity as defined below :-

(I) A person or a close member of that person's family is related to the Company if that person :-

- (i) has control or joint control of the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company;

(II) An entity is related to the Company if any of the following conditions applies :-

- (i) the entity and the Company 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 party 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 (I).
- (vii) a person identified in (I)(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).

2. SIGNIFICANT ACCOUNTING POLICIES

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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.

3. DIRECTORS' EMOLUMENTS AND BENEFITS

Directors' Emoluments for Services as Directors of the Company disclosed pursuant to Section 383 of the Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows :-

	<u>2020</u>	<u>2019</u>
Directors' Fees	Nil	Nil
Other Emoluments in connection with the Management of the Affairs of the Company	Nil	Nil
Amount Paid to Third Parties for Making Available the services of persons as directors	Nil	Nil
Payments in respect of Termination of Service	Nil	Nil
Retirement Benefits given to Retired Directors	Nil	Nil

- i. There are no payments made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in other capacity while directors;
- ii. There are no loans, quasi-loans and other dealings in favour of (a) directors of the company and a holding company of the company; (b) bodies corporate controlled by such directors; (c) entities connected with such directors;
- iii. There are no material interests of directors in transactions, arrangements or contracts entered into by the company or another company in the same group of the companies except for the related party transactions disclosed in Note 6 on the financial statements;
- iv. There are no consideration provided to or receivable by third parties for making available the services of a person as a director or in any other capacity while director;
- v. There are no outstanding loans made to directors under the authority of sections 280 and 281 of the Companies Ordinance during the year.

4. TAXATION

No provision for Profits Tax has been incorporated in the financial statements as the Company is a charitable institution which has been granted exemption from all taxes by the Inland Revenue Department.

5. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31st December, 2020, there were -

- (a) no outstanding capital commitments;
- (b) no material contingent liabilities other than those incurred in the normal course of business.

6. RELATED PARTY TRANSACTIONS

- (a) In the normal course of business, the Company had the following material transactions with its related parties at arm's length during the year -

	<u>2020</u>	<u>2019</u>
Donation Received from - A Director	<u>\$ -</u>	<u>\$180,000.00</u>
A Related Company under common control	<u>\$200,000.00</u>	<u>\$200,000.00</u>

Yeung Hoi Hsuan, Pauline is interested in the above transaction as she is also director of the above related company.

- (b) Current account balance with Director is unsecured, interest free with no fixed term of repayment.