

COPY

CONSERVATION E3 FOUNDATION LIMITED

GOVERNORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

CERTIFIED TRUE COPY

Angus Hamish Forsyth
Director

Date: -3 JUN 2021



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ALBERT WONG & CO.

CERTIFIED PUBLIC ACCOUNTANTS

HONG KONG

CONSERVATION E3 FOUNDATION LIMITED

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CONSERVATION E3 FOUNDATION LIMITED

GOVERNORS' REPORT

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

Governors

The governors of the Organisation during the year were:

Mr. Angus Hamish Forsyth
Mr. Chan Siu Hung
Mr. Chen YongQin
Mr. Cheung Man Sun
Mr. Leung Wing Mo
Mr. Tang Siu Sing
Mr. Tsui Hoi Yuen
Mr. Yeung Kam Chuen Anthony

In accordance with the Articles of the Organisation, Governors shall hold office for two years and shall retire at the Annual General Meeting after the forthcoming Annual General Meeting. All Governors shall be eligible for re-election.

Principal Activities

The Organisation's principal activities are set out in note 1(a) to financial statements.

Permitted indemnity provision

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

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

Business review

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

CONSERVATION E3 FOUNDATION LIMITED

GOVERNORS' REPORT (CONTINUED)

Equity-linked arrangements

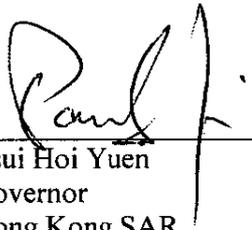
During the financial year, the Organisation entered into no equity-linked agreement.

At the end of the financial year, the Organisation subsisted of no equity-linked agreement.

Approval of Governors' report

This report was approved by the Board on 15th January 2021.

On behalf of the Board


Tsui Hoi Yuen
Governor
Hong Kong SAR

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香 港 執 業 會 計 師
香 港 紅 磡 德 豐 街 二 十 二 號
海 濱 廣 場 二 期 八 樓 八 零 六 室
電 話 : (八 五 二) 二 八 五 一 七 九 五 四
傳 真 : (八 五 二) 二 五 四 五 四 〇 八 六

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSERVATION E3 FOUNDATION LIMITED

(Incorporated in Hong Kong with limited liability by guarantee)

Opinion

We have audited the financial statements of Conservation E3 Foundation Limited (the "Organisation") set out on pages 6 to 13, which comprise the statement of financial position as at 31st March 2020, and the statement of income and general fund and statement of cash flows and statement of changes in funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation as at 31st March 2020, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for PE") 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 ("HKSAs") issued by 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 Organisation 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CONSERVATION E3 FOUNDATION LIMITED
(Incorporated in Hong Kong with limited liability by guarantee)

Other information

The Governors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Governors' report set out on pages 1 to 2, 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 on the other information obtained prior to the date of this auditor's report, 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 Governors for the financial statements

The Governors are responsible for the preparation of the financial statements that give true and fair view in accordance with HKFRS for PE and the Hong Kong Companies Ordinance, and for such internal control as the Governors 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 Governors are responsible for assessing the Organisation'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 Governors either intend to liquidate the Organisation 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 (Cap.622), 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 HKSAs 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CONSERVATION E3 FOUNDATION LIMITED
(Incorporated in Hong Kong with limited liability by guarantee)

Auditor's responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with HKSAs, 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' 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 Organisation'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 Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Albert Wong & Co.
Certified Public Accountants (Practising)
Hong Kong, 15th January 2021

**CONSERVATION E3 FOUNDATION LIMITED
STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 31ST MARCH 2020**

	Notes	2020 HK\$	2019 HK\$
Income	4	2,356,679	896,025
Project cost		<u>(2,072,722)</u>	<u>(749,018)</u>
Gross surplus		283,957	147,007
Other income	4	9,050	142
General and administrative expenses		<u>(26,134)</u>	<u>(10,033)</u>
Surplus for the year	5	266,873	137,116
General fund at beginning of year		<u>480,957</u>	<u>343,841</u>
General fund at end of year		<u><u>747,830</u></u>	<u><u>480,957</u></u>

The accompanying notes form an integral part of these financial statements.

CONSERVATION E3 FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2020

	Note	2020 HK\$	2019 HK\$
ASSETS			
Non-current assets			
Intangible asset	8	<u>155,600</u>	<u>155,600</u>
Current assets			
Cash and bank balances		628,641	297,882
Other receivable		<u>72,251</u>	<u>72,241</u>
		<u>700,892</u>	<u>370,123</u>
Total assets		<u>856,492</u>	<u>525,723</u>
LIABILITIES			
Current liabilities			
Accruals		108,662	35,280
Bank overdrafts		<u>-</u>	<u>9,486</u>
Total Liabilities		<u>108,662</u>	<u>44,766</u>
EQUITY			
General fund		<u>747,830</u>	<u>480,957</u>
Total equity and liabilities		<u>856,492</u>	<u>525,723</u>


 Tsui Hoi Yuen
 Governor


 Yeung Kam Chuen Anthony
 Treasurer

The accompanying notes form an integral part of these financial statements.

CONSERVATION E3 FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2020

	Note	2020 HK\$	2019 HK\$
Cash generated from operating activities			
Net cash generated from operations	9	<u>339,195</u>	<u>65,233</u>
Cash flows from investing activities			
Interest received		<u>1,050</u>	<u>142</u>
Net cash generated from investing activities		<u>1,050</u>	<u>142</u>
Increase in cash and cash equivalents		340,245	65,375
Cash and cash equivalents at the beginning of the year		<u>288,396</u>	<u>223,021</u>
Cash and cash equivalents at the end of the year		<u><u>628,641</u></u>	<u><u>288,396</u></u>
Components of cash and cash equivalents			
Cash and bank balances		628,641	297,882
Bank overdrafts		<u>-</u>	<u>(9,486)</u>
Cash and cash equivalents reported in statement of cash flows and in statement of financial position		<u><u>628,641</u></u>	<u><u>288,396</u></u>

The accompanying notes form an integral part of these financial statements.

**CONSERVATION E3 FOUNDATION LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31ST MARCH 2020**

	2020 HK\$	2019 HK\$
General fund		
Balance at beginning of year	480,957	343,841
Surplus for the year	<u>266,873</u>	<u>137,116</u>
Balance at end of year	747,830	480,957
Total equity	<u><u>747,830</u></u>	<u><u>480,957</u></u>

The accompanying notes form an integral part of these financial statements.

**CONSERVATION E3 FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020**

1. GENERAL

(a) Corporate information

The Organisation is a non-profit making charitable company incorporated in Hong Kong under Predecessor Companies Ordinance with limited guarantee. At the date of issue of these financial statements, the registered office of the Organisation is moved from Room R12, Unit 11-12, 12/F., Lladro Centre, 72-80 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong to Room 08, 1F Draco Industrial Building, 46 Lai Yip Street, Kwun Tong, Hong Kong. Its principal aims to conserve the environment and energy by education and e-channels.

(b) Presentation currency and level of rounding

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

(a) Statement of compliance

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(b) Reporting exemption

The Organisation falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Nevertheless, the Governors resolved not to take advantage of the reporting exemption and these financial statements comply with HKFRS for PE. The Governors have acknowledged that, to achieve fair presentation of the financial statements, it may be necessary for management to provide disclosures beyond those specifically required by HKFRS for PE.

(c) Basis of measurement

The measurement bases used in preparing these financial statements are set out in note 3 to financial statements.

**CONSERVATION E3 FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements present financial information of the Organisation. The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Revenue

Revenue consists of turnover and other revenue but excludes the reversal of impairment. Turnover comprises revenue generated from the principal activities of the Organisation. Other revenue includes exchange gain (net of exchange loss), gain on disposal of capital assets and reversal of provisions.

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the Organisation and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes on the following bases.

Interest income is recognised using the effective interest method on a time proportion basis taking into account the principal outstanding and the interest applicable

Donation income are recognized when the right to receive payment is established.

(b) Taxation

On 14th October 2011, the Association has been registered as a charitable organisation, is exempt from tax under Section 88 of the Inland Revenue Ordinance. No deferred taxation has been provided.

(c) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash balances at current and savings accounts and other short-term deposits with maturities of three months or less.

(d) Other payables

Trade and other payables are measured at initial recognition at the transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

**CONSERVATION E3 FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020**

4. INCOME

Income recognized during the year is as follows:

	2020 HK\$	2019 HK\$
Income		
Donations	20	22,379
Project income	2,356,659	873,646
	<u>2,356,679</u>	<u>896,025</u>
Other income		
Interest income	9,050	142
	<u>2,365,729</u>	<u>896,167</u>

5. SURPLUS FOR THE YEAR

	2020 HK\$	2019 HK\$
Surplus for the year is stated after charging the following:		
Auditors' remuneration	4,000	4,000

6. TAXATION

No provision has been made for Hong Kong profits tax as the Organisation is exempted under Section 88 of Hong Kong Inland Revenue Ordinance.

7. REMUNERATION OF GOVERNORS

None of the governors received or will receive any fees or emoluments in respect of their services to the Organisation during the year. (2019: Nil)

8. INTANGIBLE ASSET

	Cost HK\$	Accumulated amortisation HK\$	Carrying amount HK\$
Software			
Balance at beginning of year and balance at end of year	<u>155,600</u>	<u>-</u>	<u>155,600</u>

**CONSERVATION E3 FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020**

9. CASH GENERATED FROM OPERATING ACTIVITIES

Reconciliation of operating surplus to net cash generated from operating activities:

	2020 HK\$	2019 HK\$
Surplus for the year	266,873	137,116
Adjustment for:		
-Interest income	<u>(1,050)</u>	<u>(142)</u>
Surplus before working capital changes	265,823	136,974
Changes in working capital:		
-Decrease in other receivables	(10)	(72,241)
-Increase in accrual	<u>73,382</u>	<u>500</u>
Cash generated from operations	<u>339,195</u>	<u>65,233</u>

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 15th January 2021.

CONSERVATION E3 FOUNDATION LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020

	2020 HK\$
INCOME	
Donations	20
Project income	<u>2,356,659</u>
	2,356,679
LESS : PROJECT COST	<u>(2,072,722)</u>
GROSS SURPLUS	283,957
OTHER INCOME	
Interest income	1,050
Sundry income	<u>8,000</u>
	9,050
LESS : GENERAL AND ADMINISTRATIVE EXPENSES	<u>(26,134)</u>
SURPLUS FOR THE YEAR	<u>266,873</u>

CONSERVATION E3 FOUNDATION LIMITED
OPERATING EXPENSES AND SEPARATELY DISCLOSED ITEMS
FOR THE YEAR ENDED 31ST MARCH 2020

	2020 HK\$
GENERAL AND ADMINISTRATIVE EXPENSES	
Audit fee	4,000
Bank charges	918
Domain and web hosting expenses	2,467
Insurance	1,015
Miscellaneous expenses	16,782
Stationery and printing	198
Telephone expenses	754
	<u>26,134</u>