

BAO DA SAN Foundation Limited
包達三基金會有限公司

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2021



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何凱琳會計師行
Anna Ho & Co.
Certified Public Accountants

BAO DA SAN Foundation Limited
包達三基金會有限公司

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BAO DA SAN Foundation Limited
包達三基金會有限公司

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The foundation's principal activities are to inherit Mr. Bao Da San's spirit of patriotism and promote communication of Chinese culture, broaden Hong Kong youth's horizons by means of cultural, educational, artistic and scientific activities and hold seminars and etiquette training to inherit Mr. Bao Da San's spirit of charity commitment and enhance Hong Kong youth's overall quality.

RESULTS AND STATE OF AFFAIRS

The results of the foundation for the year ended 31 March 2021 and the state of affairs of the foundation at that date are set out on pages 5 to 6 of the financial statements.

DIRECTORS

The directors of the foundation during the year and up to the date of this report are:

PAU Yin Ching
PAU Hung Fan Bobby

In accordance to Article 25 of Part B of Foundation's Articles of the Association, the directors will retire at the forthcoming Annual General meeting, and being eligible, offer themselves for re-election.

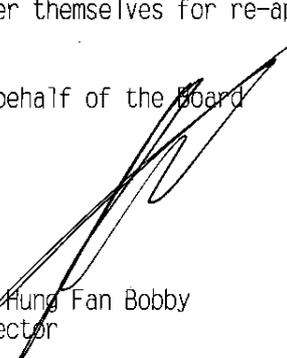
MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the foundation were entered into or existed during the year.

AUDITORS

The financial statements have been audited by Messrs. Anna Ho & Co. who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



PAU Hung Fan Bobby
Director

Hong Kong, **22 DEC 2021**

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Anna Ho & Co.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BAO DA SAN Foundation Limited
包達三基金會有限公司
(incorporated in Hong Kong with limited liability by guarantee)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Bao Da San Foundation Limited (the "foundation"), set out on pages 5 to 11, which comprise the statement of financial position as at 31 March 2021, and the income statement for the year then ended, and notes to 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 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 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 all information included in the directors' report and financial statements, 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.

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Anna Ho & Co.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BAO DA SAN Foundation Limited
包達三基金會有限公司
(incorporated in Hong Kong with limited liability by guarantee)

(Continuation)

RESPONSIBILITIES OF DIRECTORS 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, matter 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.

AUDITOR'S RESPONSIBILITY 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. Our 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 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.

As part of an audit in accordance with HKSAs, 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 company's internal control.

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Anna Ho & Co.

Certified Public Accountants

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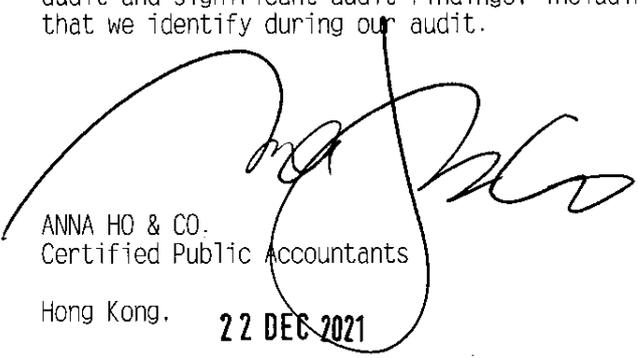
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BAO DA SAN Foundation Limited
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(Continuation)

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS - Continued

- 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 directors 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.



ANNA HO & CO.
Certified Public Accountants

Hong Kong.

22 DEC 2021

BAO DA SAN Foundation Limited
包達三基金會有限公司

INCOME STATEMENT

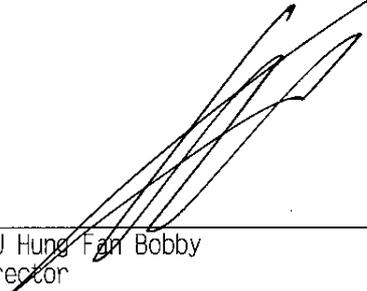
FOR THE YEAR ENDED 31 MARCH 2021

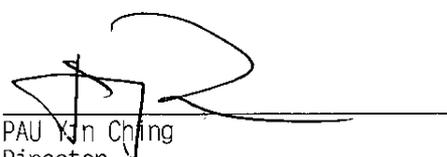
	Note	2021 HK\$	2020 HK\$
REVENUE	3	<u>110,300</u>	<u>1,543,441</u>
less DIRECT EXPENDITURE			
Charitable donation		-	586,498
Tour costs		-	369,514
Event costs		6,000	9,843
		<u>6,000</u>	<u>965,855</u>
		104,300	577,586
less EXPENDITURE		<u>103,124</u>	<u>334,084</u>
SURPLUS BEFORE TAXATION	4	1,176	243,502
TAXATION	6	-	-
NET SURPLUS FOR THE YEAR		<u>1,176</u>	<u>243,502</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
CURRENT ASSETS			
Rental deposit paid		13,576	13,576
Sponsorship receivable		46,545	131,132
Sundry debtors and prepayment		9,444	10,143
Cash at banks and in hand		97,975	14,763
		167,540	169,614
CURRENT LIABILITIES			
Deposit received		3,000	3,000
Sundry creditors and accruals		9,750	13,000
		12,750	16,000
NET ASSETS		<u>154,790</u>	<u>153,614</u>
FUND			
General fund	8	<u>154,790</u>	<u>153,614</u>

The financial statements on pages 5 to 11 were approved and authorised for issue on **22 DEC 2021** by the Board of Directors and are signed on its behalf by:


PAU Hung Fan Bobby
Director


PAU Yin Ching
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. ORGANISATION INFORMATION

The foundation is a company incorporated in Hong Kong with limited liability by guarantee. The address of registered office is located at Level 29, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.

Its principal activities of the foundation are to inherit Mr. Bao Da San's spirit of patriotism and promote communication of Chinese culture, broaden Hong Kong youth's horizons by means of cultural, educational, artistic and scientific activities and hold seminars and etiquette training to inherit Mr. Bao Da San's spirit of charity commitment and enhance Hong Kong youth's overall quality.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

a. Basis of preparation

In the opinion of the directors of the foundation, the foundation qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Chapter 622). The foundation is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium Sized Entity Financial Reporting standard (the "SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, the accrual basis of accounting and on the basis that the foundation is a going concern. The reporting currency of the foundation is Hong Kong Dollars, which is the currency of the primary economic environment in which the foundation operates.

b. Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the foundation and these benefits and relevant costs or expenses incurred or to be incurred, if any, can be measured reliably, in respect of the following transactions and on the following basis:

- Sponsorship and donation income is recognised in income statement when the right to receive payment is established.
- Bank interest income is recognised on a time proportion basis on the principal outstanding and at the applicable interest rates.

c. Operating leases

Leases where substantially all the rewards and risks of ownership of assets, as well as legal title, remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the income statement as they arise on a straight line basis over the lease terms.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Impairment of assets

An assessment is made at each end of reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including terms 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. Sponsorship receivable and other debtors

Sponsorship receivable and other debtors are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

f. Foreign currencies transactions

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

g. Related parties

A party is a related party to the foundation if one or more of the directors or members of the foundation have direct or indirect beneficial interests therein or has the ability, directly or indirectly, to control the party or are in a position to exercise significant influence over that party in making financial and operation decisions, or vice versa, or where the foundation and the party are subject to common control or common significant influence. Related parties may be individuals or entities. Individual is a member of the foundation's key management personnel or significant member and/or their close family members. Entities include those are under the significant influence of related parties of the foundation where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the foundation or of any entity that is a related party of the foundation.

h. Pension costs

The retirement benefit costs charged in the income statement represent the contributions paid and payable in respect of the current year to company's mandatory provident fund scheme. The assets of the MPF Scheme are held separately from those of the foundation in an independently administered fund.

NOTES TO THE FINANCIAL STATEMENTS – Continued.

FOR THE YEAR ENDED 31 MARCH 2021

3. REVENUE

An analysis of the foundation's revenue recognised on ordinary activities for the year are as follows:

	2021 HK\$	2020 HK\$
Sponsorship income	–	366,937
Donation income	110,300	1,176,500
Bank interest income	–	4
	<u> </u>	<u> </u>
Total income	<u>110,300</u>	<u>1,543,441</u>

4. SURPLUS BEFORE TAXATION

Surplus before taxation is stated after charging the following:

	2021 HK\$	2020 HK\$
Salaries and allowances (inclusive of directors' remuneration)	–	161,000
Mandatory provident fund contributions	–	8,050
	<u> </u>	<u> </u>

5. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap.622) is as follows:

	2021 HK\$	2020 HK\$
Fees	–	–
Retirement benefits	–	–
Other emoluments	–	–
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

6. TAXATION

The foundation is an approved charitable body and is exempted from Hong Kong Profits tax under the provision of Section 88 of the Inland Revenue Ordinance. (2020: Nil)

7. CAPITAL

Pursuant to Article 3 of part A of the foundation's Articles of Association, every member of the foundation undertakes to contribute to the assets of the foundation, in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the foundation contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amounts as may be required, not exceeding one hundred, two hundred and three hundred dollars for ordinary, permanent and honourable members respectively.

8. CHANGES IN RESERVE FUNDS

	General fund HK\$
(Deficit) at beginning of last year	(89,888)
Net surplus for last year	243,502
	<hr/>
Surplus at end of last year and at beginning of year	153,614
Net surplus for the year	1,176
	<hr/>
Surplus at end of year	154,790
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NOTES TO THE FINANCIAL STATEMENTS – Continued

FOR THE YEAR ENDED 31 MARCH 2021

9. OPERATING LEASE ARRANGEMENT

At the end of reporting period, the foundation had contracted with landlord for the following future minimum lease payments under non-cancelable operating leases:

	2021 HK\$	2020 HK\$
Within one year	52,704 =====	47,516 =====

10. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, during the year, the foundation had the following transactions with related parties:

	2021 HK\$	2020 HK\$
Donation income received from directors	(110,300) =====	(1,176,500) =====

BAO DA SAN Foundation Limited
包達三基金會有限公司

DETAILS OF LINE ITEMS DISCLOSED IN INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

APPENDIX I – EXPENDITURE

	2021 HK\$	2020 HK\$
Accountancy and secretarial fee	3,450	5,925
Audit fee	7,500	8,000
Bank charges	1,680	2,000
Books and magazine	–	27,789
Cleaning expenses	800	–
Communication fee	300	–
Computer expenses	1,100	945
Entertainment	–	980
Exhibition and promotion expenses	–	29,300
License fee	500	957
Mandatory provident fund contribution	–	8,050
Overseas travelling	4,869	2,107
Postage, stamps and courier	–	229
Printing and stationery	930	5,133
Rental payment	80,456	77,956
Repairs and maintenance	1,096	–
Salaries and allowances	–	161,000
Sponsorship fee	–	2,500
Sundry expenses	443	548
Travelling	–	665
	<u>103,124</u>	<u>334,084</u>
	=====	=====