

CHARITABLE CHOICE LIMITED

擇善坊有限公司

(incorporated in Hong Kong with liability limited by guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



華德會計師事務所

CW CPA Certified Public Accountants

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DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

Charitable Choice Limited (“the Entity”) is a non-profit-making entity. The Entity promotes the giving of charitable gifts and provides a secure platform for interactive philanthropy.

BUSINESS REVIEW

The Entity falls within the reporting exemption for the preparation of a business review. Accordingly, no business review has been prepared.

PRESENTATION OF FINANCIAL STATEMENTS

The Company qualifies under the Small and Medium-sized Entity Financial Reporting Framework (SME-FRF) to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS).

RESULTS

The results of the Entity for the year ended 31 March 2021 are set out on page 3 of the financial statements.

DONATIONS

During the year, the Entity made other donations amounted to HK\$1,994,693 (2020: HK\$942,764).

RESERVES

Details of the movements in reserves are disclosed in the statement of changes in general fund as set out on page 5 of the financial statements.

DIRECTORS

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

Rowena Anne HOY
Zhi Yi Sammy FANG
Cheryl Ann WILSON
Yu Jen Eugene HSIA
Mohamed Nifraz RIFAZ (appointed on 1 June 2020)

In accordance with Articles 38 and 39 of the Entity’s Articles of Association, all directors shall retire at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

DIRECTORS' REPORT (continued)

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Except for those as disclosed in note 10 to the financial statements, no other transactions, arrangements or contracts of significance in relation to the Entity's business to which the Entity was a party and in which a director of the Entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN THE UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At no time during the year was the Entity a party to any arrangements to enable the directors of the Entity to acquire benefits by means of the acquisition of shares in, or debentures of, the Entity or any other body corporate.

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this directors' report, was or is there, any permitted indemnity provision being in force for the benefit of any of the directors of the Entity.

HONORARY AUDITOR

The financial statements have been audited by CW CPA, Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the board



Cheryl Ann WILSON
Chairman

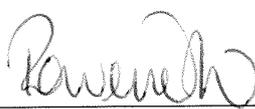
HONG KONG, 23 DEC 2021

**INCOME STATEMENT
 FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 HK\$	2020 HK\$
Income			
Donation income from gift cards, direct donation and online fundraising	2.2, 3	2,140,604	1,015,753
Donation income received – specified purposes		136,219	620,555
Interest income	2.2	10	609
		<u>2,276,833</u>	<u>1,636,917</u>
Expenditure			
Charitable donations		(1,994,693)	(942,764)
Administrative and other operating expenses		<u>(743,893)</u>	<u>(517,931)</u>
		<u>(2,738,586)</u>	<u>(1,460,695)</u>
(Deficit) / Surplus before income tax	4	(461,753)	176,222
Income tax	6	-	-
(Deficit) / Surplus for the year		<u>(461,753)</u>	<u>176,222</u>

**STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2021**

	Note	2021 HK\$	2020 HK\$
ASSETS			
Non-current assets			
Intangible assets	7	47,500	90,270
Plant and equipment	8	-	-
		<u>47,500</u>	<u>90,270</u>
Current assets			
Other receivables		10,128	5,000
Bank balances		<u>1,267,995</u>	<u>1,278,834</u>
		1,278,123	1,283,834
Current liabilities			
Other payables		<u>(795,242)</u>	<u>(381,970)</u>
Net current assets		<u>482,881</u>	<u>901,864</u>
NET ASSETS		<u>530,381</u>	<u>992,134</u>
EQUITY			
Accumulated fund		<u>530,381</u>	<u>992,314</u>
TOTAL EQUITY		<u>530,381</u>	<u>992,314</u>



 Rowena Anne HOY
 Director



 Cheryl Ann WILSON
 Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Accumulated fund HK\$
At 1 April 2019	815,912
Surplus for the year	<u>176,222</u>
At 31 March 2020	<u>992,134</u>
At 1 April 2020	992,134
Deficit for the year	<u>(461,753)</u>
At 31 March 2021	<u>530,381</u>

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

- (a) Charitable Choice Limited (“the Entity”) is a non-profit-making entity and promotes the giving of charitable gifts and provides a secure platform for interactive philanthropy.
- (b) The Entity is incorporated in Hong Kong with liability limited by guarantee. The address of its registered office is Suite 1106-8, 11/F., Tai Yau Building, No. 181 Johnston Road, Wanchai, Hong Kong.
- (c) These financial statements are presented in Hong Kong dollars (HK\$).

2 PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of preparation and changes in 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 (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 company is a going concern.

The financial statements have been prepared under the historical cost convention.

2.2 Revenue recognition

- (i) Donation income from gift cards, direct donation and online fundraising

Donation income from gift cards is recognized when cash is received and redeemed, or at the expiry date of the card. The Entity offers Charitable Choice gift cards that a donor can purchase and redeem in exchange for donations to designated charities. Any balance not yet redeemed at the end of the reporting period would be transferred to deferred revenue. At the expiry date of the card, any remaining balance of the related deferred revenue would be donated to a default charity.

Donation income from direct donation is recognized when cash is received. The Entity offers the donors to donate directly via its website.

Donation income from online fundraising is recognized when cash is received. The Entity offers individual website pages for fundraisers to solicit donations from friends and family for up to three charities designated by the fundraiser.

- (ii) Interest income

Interest income is recognized on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.3 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses and are amortised on a systematic basis over their estimated useful lives using the straight-line method.

2.4 Plant and equipment

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:

Computer equipment	20%
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2.5 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, intangible assets and long-term investments. 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 recognized in the income statement. A previously recognized 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 amortization or depreciation), had no impairment losses been recognized.

2.6 Other receivables

Other receivables are stated at estimated realizable 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.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.8 Provisions

Provisions are recognized when the Entity has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.9 Income tax

Income tax represents current tax. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

2.10 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or entities.

3 DONATION INCOME FROM GIFT CARDS, DIRECT DONATION AND ONLINE FUNDRAISING

	2021	2020
	HK\$	HK\$
Gift cards	392,226	374,657
Direct donation	696,384	273,945
Online fundraising	<u>1,051,994</u>	<u>367,151</u>
	<u>2,140,604</u>	<u>1,015,753</u>

4 (DEFICIT) / SURPLUS BEFORE INCOME TAX

	2021	2020
	HK\$	HK\$
(Deficit) / Surplus before income tax is stated after charging / (crediting) the following:		
Amortization	42,770	97,719
Depreciation	-	1,383
Exchange gain, net	-	(273)
Operating lease in respect of rented premises	132,000	132,000
Staff costs (excluding directors' emoluments)		
- Salaries	<u>10,250</u>	<u>20,225</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 DIRECTORS' REMUNERATION

None of the directors received any emoluments in respect of their services rendered to the Entity during the year. (2020: nil)

6 INCOME TAX

The Entity is exempted from Hong Kong profits tax by virtue of Section 88 of the Inland Revenue Ordinance.

7 INTANGIBLE ASSETS

	Computer software HK\$
Cost	
At 1 April 2019, at 31 March 2020 and 2021	----- 536,094
Accumulated amortization	
At 1 April 2019	348,105
Charge for the year	<u>97,719</u>
At 31 March 2020	445,824
Charge for the year	<u>42,770</u>
At 31 March 2021	----- 488,594
Net book value	
At 31 March 2021	<u><u>47,500</u></u>
At 31 March 2020	<u><u>90,270</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 PLANT AND EQUIPMENT

	Computer equipment HK\$
Cost	
At 1 April 2019 and at 31 March 2020	8,300
Disposal	<u>(8,300)</u>
At 31 March 2021	----- -
Accumulated depreciation	
At 1 April 2019	6,917
Charge for the year	<u>1,383</u>
At 31 March 2020	8,300
Disposal	<u>(8,300)</u>
At 31 March 2021	----- -
Net book value	
At 31 March 2021	<u>----- -</u>
At 31 March 2020	<u>----- -</u>

9 LEASE COMMITMENTS

	2021 HK\$	2020 HK\$
The total future minimum lease payments under non-cancellable operating leases at 31 March are payable as follows :-		
<u>Rented premises</u>		
- within one year	66,000	132,000
- after one year but within five years	<u>-</u>	<u>66,000</u>
	<u>66,000</u>	<u>198,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Entity entered into the following material related party transactions during the year :

	2021 HK\$	2020 HK\$
<u>Cheryl Ann WILSON</u> Donation received	<u>4,158</u>	<u>939</u>
<u>The Landing Pad Limited</u> Rental fee paid to	<u>132,000</u>	<u>132,000</u>

- (b) Members of key management during the year comprised only of the directors who did not receive any remuneration from the Entity.

11 MEMBERS' LIABILITY

Every Member of the Entity undertakes to contribute to the assets of the Entity, in the event of its being wound up while he is a member, or within one year after ceasing to be a member, for payment of the debts and liabilities of the Entity 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 amount as may be required not exceeding HK\$5,000.

12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 3 to 11 were approved and authorized for issue by the board of directors on **23 DEC 2021**.



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Partners

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THOMAS W S WONG, FCPA (Practising)

蔡懿德 執業會計師

ROSANNA Y T CHOI, FCPA (Practising)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITABLE CHOICE LIMITED

擇善坊有限公司

(incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of Charitable Choice Limited (“the Entity”) set out on pages 3 to 11, which comprise the statement of financial position as at 31 March 2021, and the income statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with 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 PN900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS 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 information included in 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITABLE CHOICE LIMITED (continued)

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs 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.

The directors 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. 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 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.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARITABLE CHOICE LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (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 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 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.

A handwritten signature in black ink, appearing to be 'R. J. J.', written in a cursive style.

CW CPA

Certified Public Accountants

HONG KONG, 23 DEC 2021