

**CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND
EDUCATIONAL FUND LIMITED**

迦密中學校友會慈善及教育基金有限公司

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

CERTIFIED TRUE COPY
For and on behalf of
CLARSON SERVICES LIMITED
嘉信服務有限公司


.....
Authorized Signature(s)
29 JAN 2021

PAM MEI SHAN

CERTIFIED PUBLIC ACCOUNTANT (Practising)



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CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司
Reports and financial statements
for the year ended 31 March 2020

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CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司
Directors' report

The Directors present their report and the audited financial statements for the year ended 31 March 2020.

Principal activities

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED ("the Charity") was incorporated in Hong Kong as a company limited by guarantee and not having a share capital under the Hong Kong Companies Ordinance. The Charity is a charitable institution within the meaning of Section 88 of the Hong Kong Inland Revenue Ordinance and accordingly is exempted from Hong Kong profits tax.

The principal activities of the Charity are to relief of the poor and needy, to develop and improve the education of children aged below 21, to co-operation among local and international private and public organization for the advancement of children education.

Principal place of operation

The Charity has its registered office and principal place of operation located at 55 Chung Hau Street, Homantin, Kowloon, Hong Kong.

Results

The surplus of the Charity for the year ended 31 March 2020 and the state of the Charity's affairs as at that date are set out in the Charity's financial statements on pages 5 to 11.

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 directors of the Charity.

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 Charity.

Business review

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

Donation

During the year, the Charity made donation amounting to HK\$497,840.

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司
Directors' report (continued)

Directors

The directors of the Charity who held office during the year and up to the date of this report were:-

CHAN Sing Yuen Roy	陳承元
CHEUNG Wai Hung	張偉雄
HO Yuk Fan	何玉芬
KUNG Kam Tim	龔錦添
LEE Siu Po	李兆波
LI Po Ching	李步正
NG Chi Man	吳志文
NG Miu Yee Maria	伍妙儀
WONG King Shan Ronica	黃敬珊
WONG Siu Fai	黃兆輝
YUEN Yuk Lun	袁玉麟

In accordance with Articles 41 and 42 of the Charity's Article of Association, all directors shall retire in every three years and, being eligible, offer themselves for re-election as directors of the Charity.

The Charity did not enter into any contract, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any operation of the Charity.

Arrangements to purchase shares or debentures

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

Directors' interest in contracts of significance

No contract of significance to which the Charity was a party and in which a director of the Charity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Ms. LAM Mei Shan, Certified Public Accountant (Practising) as auditor of the Charity.

On behalf of the Board



CHAN Sing Yuen Roy
Chairman

Hong Kong, 23 OCT 2020

Independent auditor's report

To the members of CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED 迦密中學校友會慈善及教育基金有限公司

(Incorporated in Hong Kong with limited by guarantee and not having a share capital)

Opinion

I have audited the financial statements of CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL LIMITED ("the Charity") set out on pages 5 to 11, which comprise the statement of financial position as at 31 March 2020, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Charity 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

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSA's") 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Charity in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 the information included in the directors' report other than the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I 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 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity's financial reporting process.

Independent auditor's report (Continued)

To the members of CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED 迦密中學校友會慈善及教育基金有限公司

(Incorporated in Hong Kong with limited by guarantee and not having a share capital)

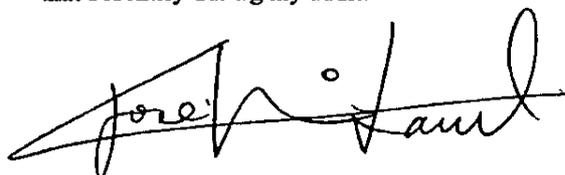
Auditor's responsibilities for the audit of the financial statements

My 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 my 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. I 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 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Charity'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 Charity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.

I 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 I identify during my audit.



Certified Public Accountant (Practising)

Hong Kong, 23 OCT 2020

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司

Income statement

for the year ended 31 March 2020

	Notes	2020 HK\$	2019 HK\$
Revenue	2	1,022,626	1,092,628
Other income		<u>-</u>	<u>-</u>
		1,022,626	1,092,628
Operating expenses		(1,044,342)	(595,801)
Finance costs		<u>-</u>	<u>-</u>
(Deficit)/Surplus before tax	3	(21,716)	496,827
Income tax expense	4	<u>-</u>	<u>-</u>
(Deficit)/Surplus for the year		<u>(21,716)</u>	<u>496,827</u>

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

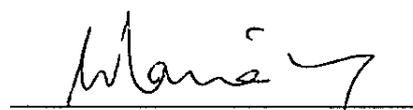
CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司
Statement of financial position
as at 31 March 2020

	Notes	2020 HK\$	2019 HK\$
Current assets			
Current investments	6	2,420,750	2,637,650
Cash and cash equivalents	7	1,272,848	1,077,664
		<u>3,693,598</u>	<u>3,715,314</u>
Current liability		-	-
Net assets		<u>3,693,598</u>	<u>3,715,314</u>
Reserves			
General fund	8	2,397,093	2,993,314
Scholarship fund	8	214,000	214,000
Carmel Secondary School 55 th Anniversary fund	8	1,027,505	464,000
Carmel Secondary School 55 th Anniversary walkathon	8	-	44,000
LI Po Ching education fund	8	<u>55,000</u>	-
		<u>3,693,598</u>	<u>3,715,314</u>

Approved on behalf of the Board of Directors on 23 OCT 2020

and are signed on its behalf by:-


 CHAN Sing Yuen Roy
 Director


 NG Miu Yee Maria
 Director

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

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司
Cash flow statement
for the year ended 31 March 2020

	Notes	2020 HK\$	2019 HK\$
Operating activities			
(Deficit)/Surplus before tax		(21,716)	496,827
Adjustment for:-			
Dividend income	2	(117,426)	(68,263)
Interest income	2	(195)	(365)
Change in net realisable value of investments	3	545,552	134,374
Operating surplus before changes in working capital		406,215	562,573
Increase in accruals		-	-
Net cash generated from operating activities		406,215	562,573
Investing activities			
Payments to acquire current investments		(328,652)	(1,128,324)
Dividend received	2	117,426	68,263
Bank interest received	2	195	365
Net cash (used in) investing activities		(211,031)	(1,059,696)
Net increase/(decrease) in cash and cash equivalents		195,184	(497,123)
Cash and cash equivalents at the beginning of the reporting year		1,077,664	1,574,787
Cash and cash equivalents at the end of the reporting year	7	1,272,848	1,077,664

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

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司
Accounting policies and explanatory notes to the financial statements
for the year ended 31 March 2020

Reporting entity

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED (“the Charity”) is a company incorporated in Hong Kong as a company limited by guarantee and not having share capital. The Charity’s registered office and principal place of operation is located at 55 Chung Hau Street, Homantin, Kowloon, Hong Kong. The Charity is a charitable institution approved under Section 88 of the Hong Kong Inland Revenue Ordinance and accordingly is exempted from Hong Kong profits tax.

The principal activities of the Charity are to relief of the poor and needy, to develop and improve the education of children aged below 21, to co-operation among local and international private and public organization for the advancement of children education.

1. Basis of preparation and accounting policies

The Charity 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 annual 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 Charity is a going concern.

The measurement base adopted is the historical cost convention.

The reporting currency of the Charity is Hong Kong Dollars (“HK\$”), which is the currency of the primary economic environment in which the Charity operates.

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

(a) Investments

An investment that qualifies for recognition as an asset is initially measured at its cost (including brokerages, fees, duties and taxes). Current investments are carried at the lower of cost and net realisable value. Changes in carrying amount of an investment are recognised as income or expenses as appropriate.

Interest and dividends receivable in connection with an investment are generally recognised as income except when such inflows represent a recover of cost and do not form part of income. In this circumstance, the cash flow representing a recovery of cost is deducted from cost.

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司
Accounting policies and explanatory notes to the financial statements
for the year ended 31 March 2020

1. Basis of preparation and accounting policies (continued)

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(c) Revenue recognition

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

- (i) Donation is recognised upon receipt;
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- (iii) Dividend income is recognised when the shareholder's right to receive payment is established.

2. Revenue

An analysis of the Charity's revenue is as follows:-

	2020 HK\$	2019 HK\$
Revenue		
Donation received	888,505	1,024,000
Interest income	195	365
Dividend income	117,426	68,263
Alumni activity	16,500	-
	<u>1,022,626</u>	<u>1,092,628</u>

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED
迦密中學校友會慈善及教育基金有限公司
Accounting policies and explanatory notes to the financial statements
for the year ended 31 March 2020

3. (Deficit)/Surplus before tax

(Deficit)/Surplus before tax is arrived at after charging the following items-

	2020 HK\$	2019 HK\$
Donation paid	497,840	441,832
Write-down of investments to net realisable value	545,552	134,374
Staff costs	-	-
	<u> </u>	<u> </u>

4. Income tax expense

No Hong Kong profits tax has been provided in the financial statements as the Charity has been granted exemption from any assessment as a charitable institution under Section 88 of the Hong Kong Inland Revenue Ordinance.

5. Directors' remuneration

During the year, the Charity did not pay or payable any emoluments to directors and thus nil amount to be disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance. (2019: Nil)

6. Current investments

	2020 HK\$	2019 HK\$
Listed securities, at net realisable value	<u>2,420,750</u>	<u>2,637,650</u>

7. Cash and cash equivalents

	2020 HK\$	2019 HK\$
Cash at bank	<u>1,272,848</u>	<u>1,077,664</u>

CARMEL SECONDARY SCHOOL ALUMNI CHARITY AND EDUCATIONAL FUND LIMITED

迦密中學校友會慈善及教育基金有限公司

**Accounting policies and explanatory notes to the financial statements
for the year ended 31 March 2020****8. Changes in reserves**

	General fund HK\$	Scholarship fund HK\$	Carmel secondary school 55 th anniversary fund HK\$	Carmel secondary school 55 th anniversary walkathon HK\$	Li Po Ching education fund HK\$	Total HK\$
At 1 April 2018	3,004,487	214,000	-	-	-	3,218,487
Surplus for the year	496,827	-	-	-	-	496,827
Transfer from retained surplus	(508,000)	-	464,000	44,000	-	-
At 31 March 2019	2,993,314	214,000	464,000	44,000	-	3,715,314
(Deficit) for the year	(21,716)	-	-	-	-	(21,716)
Reclassification Donation designated to respective funds included in retained surplus	-	-	44,000	(44,000)	-	-
	(574,505)	-	519,505	-	55,000	-
At 31 March 2020	<u>2,397,093</u>	<u>214,000</u>	<u>1,027,505</u>	<u>-</u>	<u>55,000</u>	<u>3,693,598</u>

9. Limited by guarantee

Every member of the Charity undertakes to contribute to the assets of the Charity, in the event of its being wound up while he/she is a member, or within one year afterwards, for payment of the debts and liabilities of the Charity contracted before he/she ceased to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding HK\$100.