

Certified by



Mark Stefan SHUPER
Director

THE SPROUTS FOUNDATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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THE SPROUTS FOUNDATION LIMITED

REPORT OF THE DIRECTORS

The directors submit herewith this report and the audited financial statements for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The Foundation is a non-profit making organisation and its principal objective is to promote advancement of children's education and well-being primarily in Hong Kong and selectively in other geographic areas.

RESULTS

The results of the Foundation for the year ended 31 March 2020 and the state of its affairs at the end of reporting period are set out in the financial statement on page 6 to 10.

The Foundation qualifies for the reporting exemption under the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by Hong Kong Institute of Certified Public Accountants.

DIRECTORS

The directors of the Foundation during the year and at the date of this report were:

Shuper Mark Stefan
Wong Ella Betsy
Tsoi Alan Shuyan
Tong Cheng-Yi

In accordance with the Foundation's Articles of Association, all directors shall retire at the forthcoming annual general meeting thereafter, but 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 extended into or existed during the year.

BUSINESS REVIEW

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

THE SPROUTS FOUNDATION LIMITED

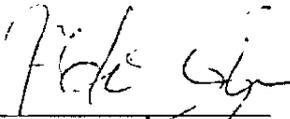
REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

During the year, Messrs. NY & Co., C.P.A. Limited, resigned and Messrs. *WTMG Certified Public Accountants*, was appointed as auditors of the Foundation.

A resolution will be submitted to the forthcoming annual general meeting of the Foundation to re-appoint the auditors, Messrs. *WTMG Certified Public Accountants*, who now retire and, being eligible, offer themselves for re-appointment.

By Order of the Board



Shuper Mark Stefan
Chairman
Hong Kong, 1 FEB 2011

**INDEPENDENT REPORT OF THE AUDITOR
TO THE MEMBERS OF THE SPROUTS FOUNDATION LIMITED**
(Incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of The Sprouts Foundation ("the Foundation") set out on pages 6 to 10, which comprise the statement of financial position as at 31 March 2020, and the income statement 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 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.

Other Information

The Directors are responsible for the other information. The other information comprises the report of Directors, 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.

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

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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 the Section 405 of 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 judgement and maintain professional skepticism throughout the audit. We also:

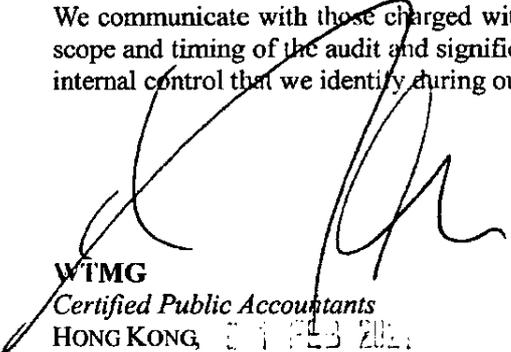
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 the expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

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 Foundation'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 Foundation to cease to continue as 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.



WTMG
Certified Public Accountants
HONG KONG, 7 FEB 2011

THE SPROUTS FOUNDATION LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 HK\$	2019 HK\$
INCOME		
Donations	751,510	646,403
Bank interest income	10	13
Sundry income	-	3,502
	<u>751,520</u>	<u>649,918</u>
EXPENDITURES		
Accountancy fee	4,500	4,000
Auditors' remuneration	6,500	5,500
Bank charges	1,010	660
Consultancy fee	-	80,438
Legal and professional fee	5,967	7,215
Postage	680	680
Printing and stationery	-	400
Program contributions	795,184	265,000
Sundry expenses	-	50
	<u>813,841</u>	<u>363,943</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u>(62,321)</u>	<u>285,975</u>

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

THE SPROUTS FOUNDATION LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note	2020 HK\$	2019 HK\$
CURRENT ASSETS			
Prepayment		5,967	5,967
Bank balances		402,283	453,604
		<u>408,250</u>	<u>459,571</u>
CURRENT LIABILITIES			
Accrued expenses		20,500	9,500
Amount due to a director	5	2,450	2,450
		<u>22,950</u>	<u>11,950</u>
NET CURRENT ASSETS		<u>385,300</u>	<u>447,621</u>
NET ASSETS		<u>385,300</u>	<u>447,621</u>
REPRESENTED BY:			
GENERAL FUNDS	6	<u>385,300</u>	<u>447,621</u>

Approved and Authorised for issue by the Board of Directors on 01 FEB 2021


Mr. Shuper Mark Sefar
Director


Ms. Fong Cheng-Yi
Director

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

THE SPROUTS FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

The Sprouts Foundation Limited (“Foundation”) is a company incorporated in Hong Kong with liability limited by guarantee on 6 March 2012 and does not have a share capital. At the end of the reporting period, the Foundation’s registered office is located at House A2, Villa Cecil, 200 Victoria Road, Pok Fu Lam, Hong Kong.

The Foundation is a non-profit making organisation and its principal objective is to promote advancement of children’s education and well-being primarily in Hong Kong and selectively in other geographic areas.

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 afterwards, 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 contributors amongst themselves, such amount as may be required not exceeding HK\$100.

The financial statements are prepared in Hong Kong Dollars, which is also the functional currency of the Foundation.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Foundation qualifies for the reporting exemption under the Hong Kong Companies Ordinance (Cap. 622). The Foundation is therefore entitled to prepare and present its financial statements for the year ended 31 March 2020 in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by Hong Kong Institute of Certified Public Accountants.

These financial statements comply with SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Foundation is a going concern.

The measurement base adopted is the historical cost convention.

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

a. Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Foundation and when the revenue can be measured reliably, on the basis that donation is accounted for on a cash received basis when no significant uncertainty as to the collectability exists.

b. Taxation

Income tax expense represents current tax expense. 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.

THE SPROUTS FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

c. Related parties

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

- (a) A person or a close member of that person's family is related to the Foundation if that person:
 - i. is a member of the key management personnel of the Foundation;
 - ii. has control over the Foundation; or
 - iii. has joint control or significant influence over the reporting entity or has significant voting power in it.

- (b) An entity is related to the Foundation if any of the following conditions applies:
 - i. The entity and the Foundation 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 entity 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 Foundation or an entity related to the Foundation.
 - vi. The entity is controlled or jointly controlled by a person identified in (a) above.
 - vii. A person identified in (a)(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).

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. TAXATION

No provision for Hong Kong Profits tax has been made as the Foundation is exempted from tax under section 88 of the Inland Revenue Ordinance.

4. DIRECTORS' REMUNERATION

The Foundation's key management personnel are its directors. Directors' remuneration disclosed pursuant to the Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) for the year is HK\$Nil (2019: Nil).

5. AMOUNT DUE TO A DIRECTOR

The amount is unsecured, interest-free and repayable on demands.

THE SPROUTS FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

6. GENERAL FUNDS

	Retained surplus HK\$
Balance as at 1 April 2019	447,621
Deficit for the year	<u>(62,321)</u>
Balance as at 31 March 2020	<u>385,300</u>

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Foundation's Directors on 21 April 2020.