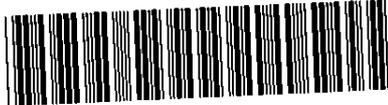


Reports and financial statements (Expressed in Hong Kong Dollars)

Affectionate World Charitable Foundation Limited
For the year ended 31 March 2021



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Alpha Bright CPA Limited
雅輝會計師事務所有限公司
CERTIFIED PUBLIC ACCOUNTANTS HONG KONG

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DIRECTORS' REPORT

Affectionate World Charitable Foundation Limited For the year ended 31 March 2021

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

Principal activities and business review

Affectionate World Charitable Foundation Limited (the "Foundation") is a company incorporated in Hong Kong with limited by guarantee. The Company's registered office is located at Room 1404, 2147/F., Tung Ning Building, 249-253 Des Voeux Road Central, Hong Kong. The principal activities of the Foundation during the year are engaged in charitable activities to relief poverty and distress and advancement of education for benefit of Chinese community and to give grants or such financial assistance for relief of poverty and assist them to become self-supporting. No business review is presented as the Foundation has been able to claim an exemption under section 388(3) of the Companies Ordinance Cap. 622 since it falls within the reporting exemption.

Result and appropriations

The result of the Foundation and the state of the Foundation's affairs as at that date are set out in the Foundation financial statements on pages 6 to 11.

Reserves

There were no movements in reserves except for changes to accumulated funds which arose from the statement of income or expenditure.

Directors

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

Chan Yan Tak
Lim Ming Shing, Tony

There is no provision in the Foundation's Articles of Association in respect of rotation of director.

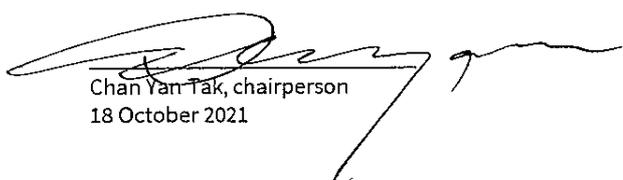
Permitted indemnity provisions

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

Auditor

The financial statements for the year have been audited by Alpha Bright CPA Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Chan Yan Tak, chairperson
18 October 2021

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INDEPENDENT AUDITOR'S REPORT

Affectionate World Charitable Foundation Limited For the year ended 31 March 2021

To the members of Affectionate World Charitable Foundation Limited

Opinion

We have audited the financial statements of Affectionate World Charitable Foundation Limited (the "Foundation") set out on pages 6 to 11, which comprise the statement of financial position as at 31 March 2021, the statement of income and expenditure, and the statement of change 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 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 the directors' report and detailed statement of income and expenditure, 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.

Responsibilities of the 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 are 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 intends 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.

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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 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 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 Foundation'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 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 a 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.



Hui Wing Hung, Derek
PC No.: P07487
Certified Public Accountant (Practising)
Alpha Bright CPA Limited
Certified Public Accountants
Room 706A, Harbour Crystal Centre,
No. 100 Granville Road, Tsim Sha Tsui,
Kowloon, Hong Kong
18 October 2021

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STATEMENT OF INCOME OR EXPENDITURE

Affectionate World Charitable Foundation Limited For the year ended 31 March 2021

	NOTES	2021	2020
Revenue	2	2,956,771	5,085,063
Project expenses		(2,771,285)	(7,399,848)
		185,486	(2,314,785)
Other income	3	29	-
Administrative expenses		(167,188)	(264,562)
Surplus / (deficit) for the year		18,327	(2,579,347)

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

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STATEMENT OF FINANCIAL POSITION

Affectionate World Charitable Foundation Limited

As at 31 March 2021

	2021	2020
Current assets		
Prepayments	48,000	24,000
Cash and bank balance	3,677	9,350
	51,677	33,350
Net current assets	51,677	33,350
Equity		
Accumulated funds	51,677	33,350
	51,677	33,350

Approved and authorised for issue by the Board of Directors on 18 October 2021


Chan Yan Tak, director


Lim Ming Shing, Tony, director

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

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STATEMENT OF CHANGES IN EQUITY

Affectionate World Charitable Foundation Limited For the year ended 31 March 2021

	2021	2020
Changes in equity		
Accumulated funds		
Accumulated funds brought forward	33,350	2,612,697
Surplus / (deficit) for the year	18,327	(2,579,347)
Accumulated funds carried forward	51,677	33,350
Balance as at 31 March	51,677	33,350

The accompanying Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

Affectionate World Charitable Foundation Limited For the year ended 31 March 2021

Reporting entity

Affectionate World Charitable Foundation Limited (the "Foundation") is a company incorporated in Hong Kong with limited by guarantee. The Foundation's registered office is located at Room 1404, 14/F., Tung Ning Building, 249-253 Des Voeux Road Central, Hong Kong. The principal activities of the Foundation during the year are engaged in charitable activities to relief poverty and distress and advancement of education for benefit of Chinese community and to give grants or such financial assistance for relief of poverty and assist them to become self-supporting.

1. Summary of significant accounting policies.

The Foundation 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 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

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 following bases:

- donation income is recognised in the financial year of receipt on a cash basis.

(b) Foreign exchange

The reporting currency of the Foundation is Hong Kong Dollars, which is the currency of the primary economic environment in which the Foundation operates.

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 the reporting period. Gains and losses on foreign exchange are recognised in the statement of income or expenditure.

(c) Income tax

The Foundation is exempted from Hong Kong Profits Tax under Section 88 of the Hong Kong Inland Revenue Ordinance, no tax is made accordingly.

(d) 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. 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 statement of income or expenditure. 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.

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(e) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Foundation are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of income or expenditure.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the statement of income or expenditure on a straight-line basis over the lease term.

(f) Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Foundation expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(g) Account and other receivables

Account and other receivables 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 statement of income or expenditure.

(h) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or entities.

	2021	2020
2. Revenue		
Donations	2,956,771	5,085,063
3. Other income		
Foreign exchange gain, net	29	-
4. Surplus / (deficit) for the year		
Surplus / (deficit) for the year is arrived at after charging the following items:		
Foreign exchange loss, net	-	2
Operating lease - land and building	144,000	144,000

Auditor's remuneration of these financial statements has been performed on an honorary basis.

2021 2020

5. Directors' remuneration

Salaries, allowance and benefits in kind	-	-
Employer's contribution to retirement benefit scheme	-	-
Total directors' remuneration	-	-

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is nil (2020: nil).

6. Income tax

Hong Kong Profits Tax has not been provided as the Foundation's income was not subject to Hong Kong Profits Tax due to its entitlement to exemption under section 88 of the Inland Revenue Ordinance with effect from 31 May 2018 as a charitable organisation.

7. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Foundation.

8. Limited by guarantee

The Foundation is limited by guarantee and does not have a share capital. Every member of the Foundation undertakes to contribute to the assets of the Foundation, in the event of its being wound up while he/she is a member, or within one year after he/she ceases to be a member, for payment of the debts and liabilities of the Foundation contracted before he/she ceases to be a member, and of 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 one hundred dollars.

9. Approval of financial statements

These financial statements were approved and authorised for issue by the Board of Directors on 18 October 2021.

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DETAILED STATEMENT OF INCOME OR EXPENDITURE

Affectionate World Charitable Foundation Limited For the year ended 31 March 2021

	2021	2020
Revenue		
Donations	2,956,771	5,085,063
Project expenses		
Project expenses	(2,771,285)	(7,399,848)
Other income		
Foreign exchange gain, net	29	-
Administrative expenses		
Bank charges	(1,950)	(475)
Commission	(1,575)	(1,696)
Foreign exchange loss, net	-	(2)
Legal and professional fee	(6,400)	-
Marketing and promotion expenses	-	(113,376)
Office expenses	(1,531)	(2,413)
Printing and stationery	(11,732)	(1,200)
Rental expenses	(144,000)	(144,000)
Telephone and internet	-	(1,140)
Traveling	-	(260)
Total administrative expenses	(167,188)	(264,562)
Surplus / (deficit) for the year	18,327	(2,579,347)

The above unaudited detailed statement of income or expenditure for the year ended 31 March 2021 is not the Foundation's statutory annual financial statements for that year. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is that the Foundation is a private company and is not required to deliver its financial statements to the Registrar of Companies, and will not do so. The Foundation's auditor has yet to report on these financial statements.

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