

LOVE 21 FOUNDATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CERTIFIED TRUE COPY
Dated 23 JAN 2022

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


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Authorized Signature(s)



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LOVE 21 FOUNDATION LIMITED

<u>Contents</u>	<u>Pages</u>
Directors' Report	1 and 2
Independent Auditor's Report	3 to 5
Income Statement	6 to 7
Statement of Financial Position	8
Accounting Policies and Explanatory Notes to the Financial Statements	9 to 13

LOVE 21 FOUNDATION LIMITED**DIRECTORS' REPORT**

The directors present herewith the report and the audited financial statements of Love 21 Foundation Limited (the "Association") for the year ended 31 March 2021.

Principal activity

The principal activity of the Association is promotion of bettering the lives of those living with Down syndrome and autism in Hong Kong through physical activity and nutrition.

Results

The results of the Association for the year ended 31 March 2021 and the state of affairs of the Association at that date are set out in the financial statements on page 6 to 13.

Dividend

In accordance with the Association's Articles of Association, the Association is prohibited from declaring any dividend.

Share capital

The Association is limited by guarantee and does not have share capital. The liability of each of its member is limited to the extent of an amount not exceeding HK\$100.

Directors

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

Chan, Shun Lai Carol
De Pree, Oliver Harry Jameson
Hosford, Matthew Sander
Sayed, Jeffry Thomas
Wong, Hoi Man

In accordance with the Association's Articles of Association, the directors continue in office.

Management contracts

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

Permitted indemnity provisions

At no time during the financial year was there any permitted indemnity provisions in force for the benefit of the directors of the Association.

At no time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the directors of the Association.

LOVE 21 FOUNDATION LIMITED
DIRECTORS' REPORT (CONTINUED)

Equity-linked arrangements

During the financial year, the Association has not entered into any equity-linked agreement.

At the end of the financial year, the Association has not subsisted of any equity-linked agreement.

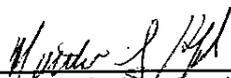
Business review

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

Auditor

A resolution to re-appoint Fastlane CPA Limited, Certified Public Accountants (Practising), as auditor of the Association will be at the forthcoming annual general meeting.

On behalf of the Association



Hosford, Matthew Sander
Director

Hong Kong,
12 NOV 2021

FastLane CPA Limited

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOVE 21 FOUNDATION LIMITED

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Love 21 Foundation Limited (the "Association") set out on pages 6 to 13, which comprise the statement of financial position as at 31 March 2021, 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 Association 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 Association 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 the other information, we are required to report that fact. We have nothing to report in these regards.

Room 1405, 135 Bonham Strand Trade Centre, 135 Bonham Strand, Sheung Wan, Hong Kong
Telephone: 39569770 Fax: 39569774

FastLane CPA Limited

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LOVE 21 FOUNDATION LIMITED

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

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

The directors are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statement

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 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 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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Room 1405, 135 Bonham Strand Trade Centre, 135 Bonham Strand, Sheung Wan, Hong Kong
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FastLane CPA Limited

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LOVE 21 FOUNDATION LIMITED

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

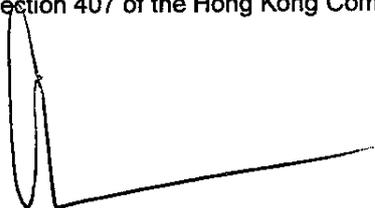
Auditor's Responsibility for the Audit of the Financial Statement (continued)

- 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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

We report that we have obtained all the information and explanations which we have required under section 407 of the Hong Kong Companies Ordinance.



Fastlane CPA Limited
Certified Public Accountants (Practising)

Ng Wai Shing Wilson
Practising Certificate Number: P06363

Hong Kong,
12 NOV 2021

Room 1405, 135 Bonham Strand Trade Centre, 135 Bonham Strand, Sheung Wan, Hong Kong
Telephone: 39569770 Fax: 39569774

LOVE 21 FOUNDATION LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
Revenue	3		
Designated donations			
- Capital International Inc.		246,238	-
- Hong Kong Football Club		200,000	-
- The D.H.Chen Foundation		627,692	-
- The Hong Kong Jockey Club Charities Trust		178,334	-
- Yeo Yee Jiun Eugenia		700,000	-
- Others		2,064,232	2,063,399
		<u>4,016,496</u>	<u>2,063,399</u>
Other revenue			
Bank interest income		31	255
Government subsidy		126,084	-
		<u>126,115</u>	<u>255</u>
Administrative and other operating expenses			
Activity materials		71,807	36,328
Advertising		9,675	6,669
Agency fee		2,092	29,367
Auditor's remuneration		8,000	7,500
Bank charges		587	2,676
Cleaning and maintenance		43,775	30,069
Coach and tuition fee		244,450	71,000
Depreciation		282,361	163,095
Entertainment		442	-
Facility booking		3,650	36,316
Freight and courier		2,402	11,563
Insurance		21,619	12,824
Legal and professional expenses		765	-
MPF contribution		40,900	30,171
Office expenses		1,622	5,513
Printing and stationery		13,958	3,180
Programme expenses		13,500	-
Renovation expenses		2,746	64,891
Rent		690,200	464,000
Staff benefits		-	11,840
Stamp duty		-	1,743
Subscription		7,082	4,433
Travelling		4,494	9,162
Utilities		8,857	13,348
Wages and Salaries - Admin		362,977	187,776
Wages and Salaries - Coach and tuition		-	114,217
Wages and Salaries - Programmes		520,873	281,174
		<u>(2,358,834)</u>	<u>(1,598,855)</u>

LOVE 21 FOUNDATION LIMITED**INCOME STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 HK\$	2020 HK\$
Surplus before income tax		1,783,777	464,799
Income tax expense	5	-	-
Surplus for the year		<u>1,783,777</u>	<u>464,799</u>

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

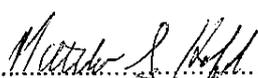
LOVE 21 FOUNDATION LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2021

	Note	2021 HK\$	2020 HK\$
Non-current assets			
Fixed assets	6	<u>194,797</u>	<u>317,099</u>
Current assets			
Bank balances		2,677,752	322,844
Deposits and prepayments		<u>168,429</u>	<u>223,408</u>
		<u>2,846,181</u>	<u>546,252</u>
Current liabilities			
Accruals and other payables		9,794	7,500
Accounts payable		40,930	6,040
Unearned revenue			
- The Hong Kong Jockey Club Charities Trust		<u>178,333</u>	<u>-</u>
		<u>229,057</u>	<u>13,540</u>
Net current assets		<u>2,617,124</u>	<u>532,712</u>
Non-current liabilities			
Unearned revenue			
- The Hong Kong Jockey Club Charities Trust		<u>178,333</u>	<u>-</u>
Net assets		<u>2,633,588</u>	<u>849,811</u>
Fund			
Accumulated fund	7	<u>2,633,588</u>	<u>849,811</u>

The financial statements were approved and authorised for issue by the directors on

12 NOV 2021


.....
Hosford, Matthew Sander
Director


.....
Wong, Hoi Man
Director

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

LOVE 21 FOUNDATION LIMITED**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****1 General information**

Love 21 Foundation Limited (the "Association") is a company incorporated in Hong Kong and limited by guarantee. Its registered office and principal place of business is located at 9D, Wing Hin Factory Building, 31-33 Ng Fong Street, San Po Kong, Kowloon, Hong Kong. The principal activity of the Association is promotion of bettering the lives of those living with Down syndrome and autism in Hong Kong through physical activity and nutrition.

The financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

2 Basis of preparation and accounting policies

The Association 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 Association 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 Association and when the revenue can be measured reliably, on the following bases:

- (i) Donation is recognised as revenue upon receipt; and
- (ii) Interest income is recognised as it accrues using the effective interest method.

(b) Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents represent cash at bank balances and on hand and short-term deposits within three months of maturity when placed.

LOVE 21 FOUNDATION LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2 Basis of preparation and accounting policies (continued)

(c) 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 reporting period.

Deferred tax is not provided.

(d) Other payables

Other payables are initially stated at fair value and subsequent measured at amortised cost using the effective interest rate method unless the effect of discounting would be immaterial, in such case they are stated at their original invoice amount.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the statement of comprehensive income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment. When assets are sold or retired, their carrying amounts are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful life, after taking into account of their residual values, using the straight line method. The annual rates used are as follows:-

Computer equipment	30%
Office equipment	50%
Leasehold improvement	50% (over the term of the related lease)

(f) Related party

Two 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 corporate entities.

LOVE 21 FOUNDATION LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2 Basis of preparation and accounting policies (continued)

(g) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

3 Revenue

An analysis of the Association's revenue is as follows:

	2021 HK\$	2020 HK\$
Donations	<u>4,016,496</u>	<u>2,063,399</u>

4 Directors' remunerations

Directors' remunerations disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefit of Directors) Regulation, no directors' remuneration was paid during the year.

5 Income tax expense

The Association is exempt from Hong Kong Profits Tax under section 88 of the Hong Kong Inland Revenue Ordinance as a charitable entity.

LOVE 21 FOUNDATION LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6 Property, plant and equipment

	Computer equipment	Office equipment HK\$	Leasehold improvement HK\$	Total HK\$
At cost				
As at 31 March 2020	-	18,474	461,720	480,194
Additions	30,560	68,999	60,500	160,059
As at 31 March 2021	<u>30,560</u>	<u>87,473</u>	<u>522,220</u>	<u>640,253</u>
Accumulated depreciation				
At 31 March 2020	-	5,149	157,946	163,095
Charge for the year	5,264	40,570	236,527	282,361
As at 31 March 2021	<u>5,264</u>	<u>45,719</u>	<u>394,473</u>	<u>445,456</u>
Net carrying values				
At 31 March 2021	<u>25,296</u>	<u>41,754</u>	<u>127,747</u>	<u>194,797</u>
At 31 March 2020	<u>-</u>	<u>13,325</u>	<u>303,774</u>	<u>317,099</u>

7 Changes in accumulated fund

	Accumulated fund HK\$
At 31 March 2019	385,012
Surplus for the year	464,799
At 31 March 2020	<u>849,811</u>
Surplus for the year	1,783,777
At 31 March 2021	<u>2,633,588</u>

Apart from accumulated fund, there were no other funds.

8 Related party transactions

The Association did not have significant related party transactions and other significant balances arising from related party transactions other than those disclosed elsewhere in the financial statements.

LOVE 21 FOUNDATION LIMITED**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****9 Operating lease arrangements**

At the end of the reporting date, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2021 HK\$	2020 HK\$
Within one year	232,000	696,000
In the second to fifth years inclusive	-	232,000
	<u>232,000</u>	<u>928,000</u>