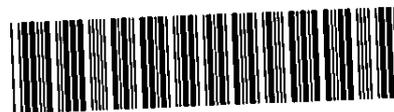




Children's Thalassaemia Foundation
地中海貧血兒童基金

30 April 2020



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Directors' Report

The directors submit herewith their annual report together with the audited financial statements for the year ended 30 April 2020.

Foundation's activities

The Foundation is a charitable organisation set up with the primary goal of providing medical facilities and other support for the care of Thalassaemia sufferers.

Financial statements

The deficit of the Foundation for the year ended 30 April 2020 and the state of the Foundation's affairs at that date are set out in the financial statements on p.7 to 22.

Directors

The directors during the financial year were:

Ms Alanna Chan
Ms Monique S Y Chan
Ms Lingki Chau
Mr Graham C H Cheng
Dr Susan Y S Fan
Dr S Y Ha
Ms M M K Lam
Prof Y L Lau
Ms Stella Lee
Ms Y F Leung
Dr C K Li
Dr Edmond Ma
Mr R H Mahboobani
Ms E Y M Sinn
Dr K P H So
Ms Judy Wai
Ms Sandy H Y Wong
Prof C Y Yeung
Mrs N W Yeung
Ms Wendy Yu
Ms Fiona Yuen
Ms Jennifer Tam
Ms Winnie Huang
Ms Gloria Lau
Ms Yuet May Tai
Mr Valent Tse Yuen Ming
Ms Mak Mo Sze
Mrs Ma Lyew Chin Yui

Directors (continued)

In accordance with article 33 of the Foundation's articles of association, the term of office for all directors shall be two years.

The following directors retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election:

Ms Alanna Chan
Ms Lingki Chau
Mr Graham C H Cheng
Dr S Y Ha
Ms M M K Lam
Prof Y L Lau
Ms Stella Lee
Dr C K Li
Dr Edmond Ma
Dr K P H So
Prof C Y Yeung
Mr Valent Tse Yuen Ming
Ms Mak Mo Sze
Ms E Y M Sinn
Ms Y F Leung
Mrs N W Yeung
Mr R H Mahboobani

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

No transactions, arrangements or contracts of significance to which the Foundation was a party and in which a director of the Foundation had a material interest, subsisted at the end of the year or at any time during the year.

Charitable donations

Charitable donations made by the Foundation during the year amounted to HK\$2,139,176 (2019: HK\$1,784,026).

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as honorary auditor of the Foundation is to be proposed at the forthcoming annual general meeting.

By order of the board



Hong Kong,

09 DEC 2020



Independent auditor's report to the members of Children's Thalassaemia Foundation

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Children's Thalassaemia Foundation (the "Foundation") set out on pages 7 to 22, which comprise the statement of financial position as at 30 April 2020, the statement of profit or loss and other comprehensive income, the statement of changes in accumulated fund and the cash flow 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 give a true and fair view of the financial position of the Foundation as at 30 April 2020 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") 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 all the information included in the annual report, other than 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 auditor's report to the members of Children's Thalassaemia Foundation (continued)

(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the 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 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.

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 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 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.



Independent auditor's report to the members of Children's Thalassaemia Foundation (continued)

(Incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.
- 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.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

09 DEC 2020

Statement of profit or loss and
other comprehensive income
for the year ended 30 April 2020
(Expressed in Hong Kong dollars)

	Note	2020	2019
Income			
Donations received		\$ 873,605	\$ 717,385
Income from Flag Day	7	532,874	-
Income from Swim for Dreams		453,803	-
Income from Dress Red Event		251,589	335,740
Income from HKSH Charity Sales		-	4,833
Income from Charity Cookies for Chinese New Year		98,744	102,938
Income from Donation Box Programme		258,853	234,626
Income from Charity Cookies for Christmas		157,492	153,494
Refund from Hong Kong University on Research Project		-	157,846
Income from Cooking Class		50,264	50,000
Income from Kitchenware Sales		-	1,400
Income from Charity Golf Tournament		515,830	476,200
Income from Hong Kong Brands & Products Expo		10,190	29,708
Income from Walk 2018		-	479,342
Income from sale of cooking books		14,846	258,396
Income from HKSH Walk for Vision 2019		-	500,000
Income from Donation of Wing Yuen Opening Ceremony		-	27,488
Income from Mr & Mrs Tsang 45 th anniversary Wedding Party		-	115,531
Income from Eugene Expo		2,611	2,372
Income from Refund from Patient Support Program		-	16,531
Income from Caring Co Partnership Expo		2,380	2,260
Income from 有誰共鳴		1,036	-
Income from D. Park/ Aqua Plaza		11,429	-
Income from D. Park Summer Campaign	8	1,249	-
Interest Income		208,238	92,581
		<u>\$ 3,445,033</u>	<u>\$ 3,758,671</u>

Statement of profit or loss and
other comprehensive income
for the year ended 30 April 2020 (continued)
(Expressed in Hong Kong dollars)

	Note	2020	2019
Expenditures			
<i>Donations paid:</i>			
Chinese University of Hong Kong Patient Medical Support		\$ 671,799	\$ -
Thalassaemia Association of Hong Kong		-	291,748
Employment Training Programme		167,470	127,814
University of Hong Kong		308,070	117,669
City University of Hong Kong		-	1,119,613
Continuing Education Programme		870,000	-
Patient Support Programme		119,764	55,012
		2,073	72,170
		<u>\$ 2,139,176</u>	<u>\$ 1,784,026</u>
Activities related expenses			
Expenses related to Charity Cookies for Chinese New Year		\$ 71,713	\$ 64,688
Expenses related to Charity Cookies for Christmas		120,320	95,002
Expenses related to Flag Day	7	52,913	-
Expenses related to Dress Red Event		38,792	31,218
Expenses related to Cooking Class		5,072	7,385
Expenses related to Kitchenware Sales		-	233
Expenses related to Caring Co Partnership Expo		6,340	-
Expenses related to Hong Kong Brands & Products Expo		3,679	3,981
Expenses related to Charity Golf Tournament		48,488	42,839
Expenses related to Walk 2018		-	55,290
Expenses related to Donation Box Programme		10,063	20,964
Expenses related to HKSH Walk For Vision 2019		-	425
Expenses related to HKSH Charity Sales		-	1,377
Expenses related to sale of cooking books		38	152,048
Expenses related to Eugene Expo		1,095	1,725
Expenses related to Swim for Dreams		4,301	-
		<u>\$ 362,814</u>	<u>\$ 477,175</u>

Statement of profit or loss and
other comprehensive income
for the year ended 30 April 2020 (continued)
(Expressed in Hong Kong dollars)

	Note	2020	2019
Administrative expenses			
Salaries and wages	\$	903,677	\$ 713,907
Depreciation		122,007	131,913
Repair and maintenance of SUP Tower		61,847	100,110
Office admin expenses		47,700	44,068
Contributions to MPF		34,823	26,288
Property management fee		18,432	18,432
Legal and professional fees		16,526	19,270
Bank charges		4,858	3,629
Insurance		6,630	5,444
Government rent and rates		1,050	131
Sundry expenses		22,032	1,738
		<u>\$ 1,239,582</u>	<u>\$ 1,064,930</u>
		<u>\$ 3,741,572</u>	<u>\$ 3,326,131</u>
(Deficit)/surplus and total comprehensive income for the year		<u>\$ (296,539)</u>	<u>\$ 432,540</u>

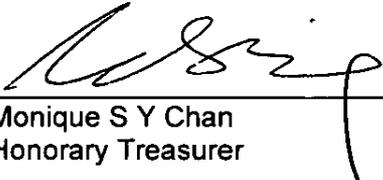
The notes on pages 13 to 22 form part of these financial statements.

Statement of financial position at 30 April 2020
(Expressed in Hong Kong dollars)

	Note	2020	2019
Non-current asset			
Property, plant and equipment	9	\$ 5,926,270	\$ 6,048,277
Current assets			
Cash and cash equivalents	3	\$ 15,603,649	\$ 15,522,716
Receivables, prepayment and deposit	11	80,303	537,060
		\$ 15,683,952	\$ 16,059,776
Current liability			
Accrual and other payables	12	97,446	298,738
Net current assets		<u>\$ 15,586,506</u>	<u>\$ 15,761,038</u>
Net assets		<u>\$ 21,512,776</u>	<u>\$ 21,809,315</u>
Representing:			
Accumulated fund		<u>\$ 21,512,776</u>	<u>\$ 21,809,315</u>

Approved and authorised for issue by the board of directors on 09 DEC 2020


Edmond Ma
Chairman


Monique S Y Chan
Honorary Treasurer

The notes on pages 13 to 22 form part of these financial statements.

Statement of changes in accumulated fund for the year ended 30 April 2020

(Expressed in Hong Kong dollars)

	2020	2019
Balance as at 1 May	\$ 21,809,315	\$ 21,376,775
(Deficit)/surplus and total comprehensive income for the year	<u>(296,539)</u>	<u>432,540</u>
Balance as at 30 April	<u>\$ 21,512,776</u>	<u>\$ 21,809,315</u>

The notes on pages 13 to 22 form part of these financial statements.

Cash flow statement
for the year ended 30 April 2020
(Expressed in Hong Kong dollars)

	Note	2020	2019
Operating activities			
(Deficit)/surplus and total comprehensive income for the year		\$ (296,539)	\$ 432,540
Adjustment for:			
Depreciation		<u>122,007</u>	<u>131,913</u>
Operating (deficit)/surplus before changes in working capital		\$ (174,532)	\$ 564,453
Decrease/(increase) in receivables, prepayment and deposit		456,757	(523,343)
Decrease in accrual and other payables		<u>(201,292)</u>	<u>(23,120)</u>
Net cash generated from operating activities		<u>\$ 80,933</u>	<u>\$ 17,990</u>
Investing activity			
Purchase of plant and equipment		<u>\$ -</u>	<u>\$ (699)</u>
Net cash used in investing activity		<u>\$ -</u>	<u>\$ (699)</u>
Net increase in cash and cash equivalents		\$ 80,933	\$ 17,291
Cash and cash equivalents as at 1 May		<u>15,522,716</u>	<u>15,505,425</u>
Cash and cash equivalents as at 30 April	3	<u>\$ 15,603,649</u>	<u>\$ 15,522,716</u>

The notes on pages 13 to 22 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars)

1 Status of the Foundation

The Children's Thalassaemia Foundation (the "Foundation") was incorporated on 23 June 1993 as a company limited by guarantee.

The Foundation is a charitable organisation set up with the primary goal of providing medical facilities and other support for the care of Thalassaemia sufferers.

2.1 Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Foundation is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Foundation. Note 2.3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Foundation for the current and prior accounting periods reflected in these financial statements.

2.2 Basis of preparation of financial statements

The measurement basis used in the preparation of the financial statements is historical cost.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3 Changes in accounting policies

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting year of the Foundation.

None of the developments have had material effect on how the Foundation's results and financial position for the current or prior years have been prepared or presented. The Foundation has not applied any new standard or interpretation that is not yet effective for the current accounting year.

2.4 Summary of significant accounting policies

(a) *Property, plant and equipment*

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Property	60 years
- Leasehold improvement	5 years
- Furniture and fixtures	5 years
- Office equipment	5 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

The carrying amounts of property, plant and equipment are reviewed for indications of impairment at the end of the reporting year. An impairment loss is recognised in profit or loss to the extent that the carrying amount of an asset, or the cash-generating unit to which it belongs, is more than its recoverable amount. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the assets. An impairment loss is reversed if there has been a favourable change in estimates used to determine the recoverable amount.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the statement of comprehensive income on the date of retirement or disposal.

2.4 Summary of significant accounting policies (continued)

(b) *Receivables*

A receivable is recognised when the Foundation has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Foundation has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses as determined below:

The loss allowance is measured at an amount equal to lifetime expected credit losses (ECLs), which are those losses that are expected to occur over the expected life of the trade receivables. The loss allowance is estimated using a provision matrix based on the Foundation's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Foundation recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of other receivables through a loss allowance account.

The gross carrying amount of a debtor or other receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Foundation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(c) *Payables*

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(d) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, 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, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses in accordance with the policy set out in note 2.4(b).

(e) *Employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2.4 Summary of significant accounting policies (continued)

(e) *Employee benefits (continued)*

Contributions to mandatory provident funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in profit or loss as incurred.

(f) *Donations*

Donations are recognised when the Foundation becomes entitled to the donations and it is probable that they will be received, i.e. generally upon receipt of cash.

(g) *Donations paid*

Donations paid are recognised when they are incurred and can be measured reliably.

(h) *Expenditure*

Expenditure is recognised on an accrual basis.

(i) *Provisions and contingent liabilities*

Provisions are recognised when the Foundation has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(j) *Related parties*

(a) A person, or a close member of that person's family, is related to the Foundation if that person:

- (i) has control or joint control over the Foundation;
- (ii) has significant influence over the Foundation; or
- (iii) is a member of the key management personnel of the Foundation.

2.4 Summary of significant accounting policies (continued)

(j) Related parties (continued)

- (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);
 - (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); or
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Foundation or to the Foundation's parent.

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 Cash and cash equivalents

	2020	2019
Cash at bank	\$ 15,591,191	\$ 15,522,716
Cash on hand	12,458	-
	<u>\$ 15,603,649</u>	<u>\$ 15,522,716</u>

4 Auditor's remuneration

The auditor received no remuneration (2019: Nil) for the audit of the Foundation's financial statements.

5 Taxation

The Foundation is exempted from Hong Kong Profits Tax under Section 88 of the Inland Revenue Ordinance.

6 Directors' emoluments

Directors' emoluments 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 are as follows:

	2020	2019
Directors' fees	\$ Nil	\$ Nil
Salaries, allowances and benefits in kind	Nil	Nil
Discretionary bonuses	Nil	Nil
Retirement scheme contributions	Nil	Nil

7 Income from Flag Day

Proceeds from the Flag Day 2019 and the usage of the donations collected

The charity event of "Thalassaemia Flag Day 2019" (Public Subscription Permit No. FD/R071/2019) is organised by Children's Thalassaemia Foundation to raise funds.

Use of the Flag Day 2019 net proceeds with detailed breakdown:

	<i>Amount used for funds in 2020</i>	<i>Ratio (%) of the amount allocated for each breakdown item</i>
<i>Use of the Flag Day 2019 net proceeds</i>		
(i) Financing Thalassaemia major patients in iron chelation accessories	\$ -	25%
(ii) Patients' Educational Program	119,990	25%
(iii) Thalassaemia Research Project	239,981	50%

The Foundation is committed to use the unused net proceeds of HK\$119,990 to finance Thalassaemia major patients in iron chelation accessories in the year ending 30 April 2021.

8 Income from D. Park Summer Campaign

Proceeds from the D. Park Summer Campaign and the usage of the donations collected

The charity event of "D. Park Summer Campaign" (Public Subscription Permit No. 2019/121/1) is organised by Children's Thalassaemia Foundation to raise funds.

Use of the D. Park Summer Campaign net proceeds with detailed breakdown:

	<i>Amount used for funds in 2020</i>	<i>Ratio (%) of the amount allocated for each breakdown item</i>
<i>Use of the D. Park Summer Campaign net proceeds</i>		
(i) Financing Thalassaemia major patients to buy necessary medical accessories	\$ 1,249	100%

9 Property, plant and equipment

	<i>Property</i>	<i>Leasehold improvement</i>	<i>Furniture and fixtures</i>	<i>Office Equipment</i>	<i>Total</i>
Cost:					
At 1 May 2018	\$ 6,500,000	\$ 60,450	\$ 38,620	\$ 18,131	\$ 6,617,201
Additions	-	-	699	-	699
At 30 April 2019	<u>\$ 6,500,000</u>	<u>\$ 60,450</u>	<u>\$ 39,319</u>	<u>\$ 18,131</u>	<u>\$ 6,617,900</u>
At 1 May 2019	\$ 6,500,000	\$ 60,450	\$ 39,319	\$ 18,131	\$ 6,617,900
Additions	-	-	-	-	-
At 30 April 2020	<u>\$ 6,500,000</u>	<u>\$ 60,450</u>	<u>\$ 39,319</u>	<u>\$ 18,131</u>	<u>\$ 6,617,900</u>
Accumulated depreciation:					
At 1 May 2018	\$ (361,109)	\$ (42,315)	\$ (27,034)	\$ (7,252)	\$ (437,710)
Charge for the year	(108,333)	(12,090)	(7,864)	(3,626)	(131,913)
At 30 April 2019	<u>\$ (469,442)</u>	<u>\$ (54,405)</u>	<u>\$ (34,898)</u>	<u>\$ (10,878)</u>	<u>\$ (569,623)</u>
At 1 May 2019	\$ (469,442)	\$ (54,405)	\$ (34,898)	\$ (10,878)	\$ (569,623)
Charge for the year	(108,333)	(6,045)	(4,002)	(3,627)	(122,007)
At 30 April 2020	<u>\$ (577,775)</u>	<u>\$ (60,450)</u>	<u>\$ (38,900)</u>	<u>\$ (14,505)</u>	<u>\$ (691,630)</u>
Net book value:					
At 30 April 2020	<u>\$ 5,922,225</u>	<u>\$ -</u>	<u>\$ 419</u>	<u>\$ 3,626</u>	<u>\$ 5,926,270</u>
At 30 April 2019	<u>\$ 6,030,558</u>	<u>\$ 6,045</u>	<u>\$ 4,421</u>	<u>\$ 7,253</u>	<u>\$ 6,048,277</u>

10 Employee retirement benefits

The Foundation operates a mandatory provident fund scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by an independent trustee. Under the MPF scheme, the Foundation and its employees are each required to make contributions to the MPF scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$30,000 (\$30,000 before 1 June 2015). Contributions to the MPF scheme vest immediately.

11 Receivables, prepayment and deposit

All the balances are expected to be recovered or recognised as expense within one year.

12 Accrual and other payables

All the balances are expected to be settled within one year or are repayable on demand.

13 Capital management

The Foundation's objective is to establish and maintain as a non-profit-making institution. The Foundation is not subject to any externally imposed capital requirements and its activities are mainly funded by donations and interest income.

The accumulated fund of the Foundation is managed according to the financial management guidelines and procedures of the Foundation in meeting the objectives of the Foundation with the view of safeguarding the entity's ability to continue as a going concern.

14 Financial instruments

Exposure to credit, liquidity and interest rate risks arise in the normal course of the Foundation's operation. These risks are limited by the Foundation's financial management policies and practices described below. The Foundation's major financial assets include cash and deposits.

(a) Credit risk

The Foundation's credit risk is primarily attributable to bank deposits. Management has a credit policy in place and exposures to credit risk are monitored on an ongoing basis.

The Foundation places its deposits with major financial institutions with good credit ratings.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

14 Financial instruments (continued)

(b) Liquidity risk

Liquidity risk refers to the risk that available funds may not be sufficient to meet obligations as they fall due.

The Foundation's policy is to regularly monitor current and expected liquidity requirements and to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term. All the financial liabilities are repayable on demand or with maturity less than one year.

(c) Interest rate risk

The Foundation has exposure to interest rate risk through the impact of the rate changes on bank deposits.

As at 30 April 2020 it is estimated that a general increase of 0.5% (2019: 0.5%) in bank deposit interest rates, with all other variables held constant, would increase the Foundation's surplus and total comprehensive income for the year and accumulated fund by \$67,282 (2019: \$26,343). It is estimated that there would not be a significant decrease in bank deposit interest rates as the market interest rate is almost nil at 30 April 2020.

(d) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 30 April 2020 and 2019.

15 Commitments

At 30 April 2020, there were non-binding commitments in respect of charitable donations approved but not provided for in the financial statements of \$1,457,825 (2019: \$3,400,659).

16 Liability of members

Under the provisions of the Foundation's memorandum of association, every member shall, in the event of the Foundation being wound up, contribute such amount as may be required to meet the liabilities of the Foundation but not exceeding \$100 (2019: \$100) per member.

17 Material related party transactions

During the year, donations amounting to \$167,470 (2019: \$127,814) were made to the Thalassaemia Association of Hong Kong, of which the following committee members are also directors of the Foundation: Ms Y F Leung, Ms Sandy H Y Wong and Mrs N W Yeung.

18 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 April 2020

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 30 April 2020 and which have not been adopted in these financial statements. These include the following which may be relevant to the Foundation.

*Effective for
accounting periods
beginning on or after*

Amendments to HKFRS 3, <i>Definition of a business</i>	1 January 2020
Amendments to HKAS 1 and HKAS 8, <i>Definition of material</i>	1 January 2020

The Foundation has made an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application, and has concluded that the adoption of them is unlikely to have a significant impact on the Foundation's results of operations and financial position.

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