

ENDEAVOUR EDUCATION CENTRE LIMITED
REPORT OF THE MANAGEMENT COMMITTEE MEMBERS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



REPORT OF THE MANAGEMENT COMMITTEE MEMBERS

The management committee members of Endeavour Education Centre Limited (hereinafter referred to as the “Company”) present their report together with the audited financial statements of the Company for the year ended 31 December 2021.

Principal activity

The Company is a company limited by guarantee. The principal activity of the Company is promotion of education in Hong Kong.

Results

The results of the Company for the year are set out in the statement of profit or loss and other comprehensive income on page 6.

The state of affairs of the Company as at 31 December 2021 and 2020 is set out in the statement of financial position on page 7 to page 8.

Funds

Details of the movements in funds as described in the statement of changes in funds on page 9.

Management committee members

The management committee members of the Company during the year and up to the date of this report were:

Ms. Hsu Lai Tai Rita
Mr. Lee Ming Kwai
Mr. Leung Kee Cheong
Mr. Tsang Tak Sing
Ms. Au King Chi
Mr. Chen Shuang
Ms. Leung Oi Sie Elsie
Mr. Fan Chun Wah Andrew

In accordance with Article 21 of part B of the Company’s Articles of Association, the term of management committee members shall be two years. At the forthcoming annual general meeting of the Company, four of the members of the above management committee shall retire, namely Ms. Hsu Lai Tai Rita, Mr. Tsang Tak Sing, Ms. Au King Chi, Mr. Chen Shuang, and are eligible for reappointment in accordance with Article 22 of part B of the Company’s Articles of Association.

REPORT OF THE MANAGEMENT COMMITTEE MEMBERS (CONTINUED)

Management committee members' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements and contracts of significance business to which the Company, was a party and in which a management committee member of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management committee members' interests, underlying shares and debentures of the Company or any specified undertaking of the Company

At no time during the year was the Company a party to any arrangement to enable the management committee members of the Company to hold any interests in the shares or debentures of, the Company or its specified undertakings.

Business review

The Company has satisfied the exemption criteria set out in Section 388(3)(a) of the Hong Kong Companies Ordinance. Therefore, the management committee members of the Company are not required to prepare the report for the business review in accordance with the Hong Kong Companies Ordinance (Cap. 622).


Management contracts

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

Auditor

The financial statements for the year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting.

On behalf of the management committee members



Hsu Lai Tai Rita
Chairman

Hong Kong, 13 June 2022



**INDEPENDENT AUDITORS' REPORT
TO THE MANAGEMENT COMMITTEE MEMBERS OF
ENDEAVOUR EDUCATION CENTRE LIMITED**

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(Incorporated in Hong Kong with limited liability by guarantee)

OPINION

We have audited the financial statements of Endeavour Education Centre Limited (the "Company") set out on pages 6 to 40, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in funds and the statement of cash flows 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 Company as at 31 December 2021, 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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 AUDITORS' REPORT THEREON

The management committee members are responsible for the other information. The other information comprises the information included in the report of the management committee members, but does not include the financial statements and our auditors' report thereon (the "Other Information").

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.

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**INDEPENDENT AUDITORS' REPORT
TO THE MANAGEMENT COMMITTEE MEMBERS OF
ENDEAVOUR EDUCATION CENTRE LIMITED (CONTINUED)** _____ 4
(Incorporated in Hong Kong with limited liability by guarantee)

**RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE MEMBERS FOR THE
FINANCIAL STATEMENTS**

The management committee members 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 management committee members 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 management committee members are responsible for assessing the Company'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 management committee members either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The management committee members are responsible for overseeing the Company's financial reporting process.

AUDITORS' 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 auditors' 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.

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**INDEPENDENT AUDITORS' REPORT
TO THE MANAGEMENT COMMITTEE MEMBERS OF
ENDEAVOUR EDUCATION CENTRE LIMITED (CONTINUED)** _____ 5
(Incorporated in Hong Kong with limited liability by guarantee)

**AUDITORS' 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee members.
- Conclude on the appropriateness of the management committee members' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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 management committee members 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

Shek Lui
Practicing Certificate Number: P05895

Hong Kong, 13 June 2022
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021 (in HK Dollars)	Notes	2021	2020
Revenue	6	11,421,004	11,080,376
Other revenue	7	25,054	514,750
Program expenses		(7,737,224)	(6,243,387)
Administrative expenses		(2,841,169)	(3,432,372)
Finance costs	8	(19,708)	(42,110)
Surplus before taxation	9	847,957	1,877,257
Taxation	10	-	-
Surplus for the year		847,957	1,877,257
Other comprehensive income		-	-
Total comprehensive income for the year		847,957	1,877,257

The accompanying notes form an integral part of these financial statements.


STATEMENT OF FINANCIAL POSITION

As at 31 December 2021 (in HK Dollars)	Notes	2021	2020
Non-current assets			
Plant and equipment	11	435,073	48,922
Right-of-use assets	12	653,871	503,365
		1,088,944	552,287
Current assets			
Inventories		51,796	39,996
Account receivables	13	201,000	279,376
Deposits and prepayments and other receivables	14	398,591	218,116
Cash and cash equivalents		4,032,960	3,795,237
		4,684,347	4,332,725
Current liabilities			
Accruals and other payables		156,443	283,875
Lease liabilities	12	394,673	518,054
		551,116	801,929
Net current assets		4,133,231	3,530,796
Total assets less current liabilities		5,222,175	4,083,083

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2021 (in HK Dollars)	Notes	2021	2020
Non-current liability			
Lease liabilities	12	291,135	-
Net assets		4,931,040	4,083,083
Funds	15	4,931,040	4,083,083

Approved by the management committee members on 13 June 2022 and signed on its behalf by:


 Fan Chun Wah Andrew
 Management Committee Member


 Leung Oi Sie, Elsie
 Management Committee Member

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 December 2021 (in HK Dollars)

	General Fund	Designated Funds (Note 14(b)(ii))								
		BOCHK Charitable Foundation 中銀香港慈善基金	Lam Woo Foundation Limited 林護基金有限公司	China Everbright Charitable Foundation Company Limited 中國光大控股慈善基金有限公司	Golden Jubilee Charitable Foundation 同齡同心慈善基金	New Home Association Limited 新家園協會有限公司	Clifford Charitable Fund Association Limited 祈福慈善基金會有限公司	Victoria Charitable Trust Fund 維多利亞慈善信託基金	CSOP Asset Management Limited 南方東英資產管理有限公司	Lui Chi Woo Prize Limited 呂志和獎券有限公司
As at 1 January 2020	(2,064,823)	2,654,815	209,083	714,806	410,861	(18,764)	59,872	239,976	-	-
(Deficit)/surplus and total comprehensive (loss)/income for the year	(501,214)	2,189,469	(208,748)	417,173	(139,504)	-	467,895	(347,814)	-	-
Transfer between funds	(18,764)	-	-	-	-	18,764	-	-	-	-
As at 31 December 2020 and 1 January 2021	(2,584,801)	4,844,284	335	1,131,980	271,357	-	527,767	(107,838)	-	-
Surplus/(deficit) and total comprehensive income/(loss) for the year	(2,611,383)	1,996,278	(147,314)	178,216	301,851	-	-	-	290,527	839,782
Transfer between funds	(254,817)	-	146,979	-	-	-	-	107,838	-	-
As at 31 December 2021	(5,451,001)	6,840,562	-	1,310,196	573,208	-	527,767	-	290,527	839,782
		Subtotal	Total							
As at 1 January 2020		4,270,649	2,205,826							
(Deficit)/surplus and total comprehensive (loss)/income for the year		2,378,471	1,877,257							
Transfer between funds		18,764	-							
As at 31 December 2020 and 1 January 2021		6,667,885	4,083,083							
Surplus/(deficit) and total comprehensive income/(loss) for the year		3,459,340	847,957							
Transfer between funds		254,817	-							
As at 31 December 2021		10,382,042	4,931,040							

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended

31 December 2021 (in HK Dollars)	Notes	2021	2020
Cash flows from operating activities			
Surplus for the year		847,957	1,877,257
Adjustments for:			
Interest on lease liabilities	8&9	19,708	42,110
Depreciation on plant and equipment	9&11	55,829	141,969
Depreciation on right-of-use assets	9&12	615,605	604,039
Operating surplus before changes in working capital		1,539,099	2,665,375
Increase in inventories		(11,800)	(19,437)
(Increase)/decrease in deposits and prepayments		(167,974)	14,703
Decrease/(increase) in account receivables		78,376	(279,376)
Increase in other receivables		(12,500)	-
Decrease in accruals and other payables		(127,433)	(948,304)
Net cash generated from operating activities		1,297,768	1,432,961
Cash flows from investing activity			
Payment for purchase of plant and equipment	11	(441,980)	-
Net cash used in investing activity		(441,980)	-
Cash flows from financing activities			
Capital element of lease rentals paid	16	(598,357)	(593,890)
Interest element of lease rentals paid	16	(19,708)	(42,110)
Net cash used in financing activities		(618,065)	(636,000)
Net increase in cash and cash equivalents		237,723	796,961
Cash and cash equivalents at the beginning of the year		3,795,237	2,998,276
Cash and cash equivalents at the end of the year		4,032,960	3,795,237
Analysis of cash and cash equivalents			
Cash and cash equivalents		4,032,960	3,795,237

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021 (in HK Dollars)

1. GENERAL INFORMATION

Endeavour Education Centre Limited (the “Company”) is a company limited by guarantee in Hong Kong. The registered office of the Company is located at Unit 06-07 on 29/F, Pacific Link Tower Southmark, No.11 Yip Hing Street, Hong Kong.

The Company is a non-profit making organisation. The Endeavour Education Trust (the “Trust”) was set up on 16 November 2015 for the benefit of the Company and provide financial support for the Company’s operation and development. The Company is engaged in promotion of education in Hong Kong.

The financial statements are presented in Hong Kong Dollars, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the financial statements:

Amendments to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Company applied the agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realizable value of inventories.

The application of the amendments to HKFRSs in the current year had no material impact on the Company’s financial positions and performance for the current and prior years and/or on the disclosures set out in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)**New and amendments to HKFRSs in issue but not yet effective**

The Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an investor and its Associate or Joint Venture ⁴
Amendments to HKAS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8	Definition of Accounting Estimates ³
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 April 2021.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after 1 January 2023.

⁴ Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the application of the above new and amendments to HKFRSs will have no material impact on the Company’s financial performance and position in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES**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") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with HKFRSs requires the management committee members to make judgments, 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 judgments 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 year of the revision and future periods if the revision affects both current and future periods.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to its location and working condition for its intended use. Expenses incurred after item of plant and equipment have been put into operation, such as repair and maintenance, is normally charged to the statement of profit or loss and other comprehensive income in the period in which it is incurred. In situation 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 an item of plant and equipment and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful life at the following rates per annum:

Office equipment	20%
Computer	30%
Leasehold improvements	20%
Furniture and fixtures	20%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Plant and equipment (continued)**

Where parts of an item of plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the period the asset is derecognised is the difference between the net proceeds and the carrying amount of the relevant assets.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is computed using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at a bank and on hand and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired form an integral part of the Company's cash management.

For the purpose of the statement of financial positions, cash and cash equivalents comprise cash at a bank and on hand, which are not restricted to use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Revenue from contracts with customers**

Under HKFRS 15, the Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs;
- the Company’s performance creates and enhances an asset that the customer controls as the Company performs; or
- the Company’s performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service.

(i) Fund from the Trust

Fund from the Trust is recognised at point in time on a receipt basis.

(ii) Sponsorship income

Sponsorship income from sponsors is recognised at point in time on a receipt basis.

(iii) Campaign income

Campaign income is recognised at point in time when campaigns are rendered.

The asset to be recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the assets relate. The asset is subject to impairment review.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Company assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Company as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Company as a lessee (continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Company is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Company recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Company as a lessee (continued)

Lease liabilities (continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Company exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Company remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Company presents lease liabilities as a separate line item on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Company as a lessee (continued)

Lease modifications

The Company accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Company remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets*Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial instruments (continued)*****Financial assets (continued)******Classification and subsequent measurement of financial assets (continued)***

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial instruments (continued)*****Financial assets (continued)******Impairment of financial assets***

The Company measures the loss allowance equal to 12-month expected credit losses ("12-month ECL"), unless when there has been a significant increase in credit risk since initial recognition, the Company recognises lifetime expected credit losses ("lifetime ECL"). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial instruments (continued)*****Financial assets (continued)******Impairment of financial assets (continued)*****(i) Significant increase in credit risk (continued)**

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

Irrespective of the above, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets (continued)

- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses ("ECL")

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the effective interest rate determined at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Financial instruments (continued)***Financial assets (continued)**Impairment of financial assets (continued)***(v) Measurement and recognition of expected credit losses (“ECL”) (continued)**

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the management committee members of the Company to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

Financial liabilities***Other financial liabilities***

Other financial liabilities (including accruals and other payables and lease liabilities) are subsequently measured at amortised cost using the effective interest method.

For the year ended 31 December 2021 (in HK Dollars)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

- (a) A person, or a close member of that person's family, is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the Company 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) the entity and the Company 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 Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employees are also related to the Company.
 - (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).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Related parties (continued)**

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependents of the person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources and obligations between related parties.

Employee benefits**(i) Short term 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.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees and a provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. Employee entitlement to sick leave and maternity or paternity leave is not recognised until the time of leave.

(iii) Pensions obligations

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient asset to pay all employees the benefits relating to employee service in the current and prior years.

The Company contributes to a defined contribution mandatory provident fund retirement benefits scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate. Contributions are made based on a percentage of the employee's basic salaries and charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in Note 3, the management committee members are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. 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 estimates 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.

Useful lives and impairment of plant and equipment and right-of-use assets

In accordance with HKAS 16, the Company estimates the useful lives of plant and equipment and right-of-use assets in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Company also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Company tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating units is determined based on value in use calculations which require the use of assumptions and estimates.

5. FINANCIAL RISK MANAGEMENT

Exposure to credit and liquidity risks arises in the normal course of the Company's business. The Company's exposure to these risks and financial risks management policies and practices used by the Company to manage these risks and described below:

(a) Credit risk

The Company has no significant concentrations of credit risk with exposure spread over a large number of counterparties and customers. The carrying amounts of deposits and cash and cash equivalents represent the Company's maximum exposure to credit risk in relation to financial assets.

In respect of cash and cash equivalents, the credit risk is considered to be low as the counterparty is a reputable bank with high credit rating. The existing counterparty does not have defaults in the past. Therefore, ECL rate of cash and cash equivalents is assessed to be close to zero and no provision was made as at 31 December 2021.

For deposits, the management committee members make periodic collective assessments as well as individual assessment on the recoverability of deposits based on historical settlement records and past experience. The management committee members of the Company believe that there is no material credit risk inherent in the Company's outstanding balance of deposits.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management committee members, which has built an appropriate liquidity risk management framework to meet the Company's short, medium and long-term funding and liquidity management requirements.

The following table details the remaining contractual maturities at the end of the reporting period of the Company's non-derivative financial liabilities, which are based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Company can be required to pay:

	Weighted average effective rate	As at 31 December 2021			
		Within 1 year on demand	More than 1 year	Total undiscounted cash flows	Total carrying amount
Accruals and other payables	-	156,443	-	156,443	156,443
Lease liabilities	5%	420,000	296,935	716,935	685,808
		576,443	296,935	873,378	842,251
<hr/>					
	Weighted average effective rate	As at 31 December 2020			
		Within 1 year on demand	More than 1 year	Total undiscounted cash flows	Total carrying amount
Accruals and other payables	-	283,875	-	283,875	283,875
Lease liabilities	5%	530,000	-	530,000	518,054
		813,875	-	813,875	801,929

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair value of financial instruments

All financial instruments are stated at amounts not materially different from their fair values as at 31 December 2021 and 2020.

(d) Capital risk management

The objectives of the Company's capital management are to safeguard its ability to continue as a going concern and to promote its activities in Hong Kong as non-profit making organisation. The company defines "capital" as including the general fund maintained by the Company. The Company manages its capital structure and makes adjustment. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 2020.

6. REVENUE

Revenue represents the campaign income, amount received from the Trust and the sponsors of the activities for the years. The amount of each significant category of income recognised in revenue during the years is as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Campaign income	1,046,000	1,780,376
Fund received from the Trust	1,199,864	3,900,000
Sponsorship income	<u>9,175,140</u>	<u>5,400,000</u>
	<u>11,421,004</u>	<u>11,080,376</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

7. OTHER REVENUE

	<u>2021</u> HK\$	<u>2020</u> HK\$
Venue income	13,260	12,850
Bank interest income	1,060	-
Government grants (Note)	-	486,000
Sundry income	<u>10,734</u>	<u>15,900</u>
	<u>25,054</u>	<u>514,750</u>

Note:

During 2020, the Company recognised government grants of HK\$486,000 in relation to Employment Support Scheme provided by the Hong Kong government in respect of Covid-19-related subsidies.

8. FINANCE COSTS

	<u>2021</u> HK\$	<u>2020</u> HK\$
Interest on lease liabilities (Note 16)	<u>19,708</u>	<u>42,110</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

9. SURPLUS BEFORE TAXATION

	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Surplus before taxation is arrived at after charging:		
Auditors' remuneration	-	-
Management committee members' emolument (Note)	-	-
Depreciation of plant and equipment	55,829	141,969
Depreciation of right-of-use assets	615,604	604,039
Salaries, wages and other benefits (excluding management committee members' emoluments)	2,991,581	3,664,098
Interest on lease liabilities (Note 8)	19,708	42,110
Short term leases and leases with lease term shorter than 12 months as at initial application of HKFRS 16	-	13,540
Cost of inventories expensed	100,954	125,608

Note:

No remuneration has been paid to the management committee members save as disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation for the years ended 31 December 2021 and 2020.

10. TAXATION

No provision for Hong Kong profits tax is provided as the Company has been exempted for all taxes payable by the Hong Kong Inland Revenue Department under Section 88 of Hong Kong Inland Revenue Ordinance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

11. PLANT AND EQUIPMENT

	<u>Leasehold improvements</u> HK\$	<u>Computer</u> HK\$	<u>Office equipment</u> HK\$	<u>Furniture and fixtures</u> HK\$	<u>Total</u> HK\$
Cost					
As at 31 December 2019, and 1 January 2020	619,450	64,785	31,638	-	715,873
Addition during the year	-	-	-	-	-
At 31 December 2020 and 1 January 2021	619,450	64,785	31,638	-	715,873
Addition for the year	430,640	-	-	11,340	441,980
At 31 December 2021	1,050,090	64,785	31,638	11,340	1,157,853
Accumulated depreciation					
At 1 January 2020	473,331	43,739	7,912	-	524,982
Charge for the year	123,890	11,752	6,327	-	141,969
At 31 December 2020 and 1 January 2021	597,221	55,491	14,239	-	666,951
Charge for the year	43,761	5,581	5,920	567	55,829
At 31 December 2021	640,982	61,072	20,159	567	722,780
Carrying amount:					
At 31 December 2021	409,108	3,713	11,479	10,773	435,073
At 31 December 2020	22,229	9,294	17,399	-	48,922

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

12. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

Right-of-use assets

	Total
As at 1 January 2020	1,107,404
Addition for the year	-
Depreciation provided during the year	<u>(604,039)</u>
As at 31 December 2020 and 1 January 2021	503,365
Addition for the year	766,110
Depreciation provided during the year	<u>(615,604)</u>
As at 31 December 2021	<u><u>653,871</u></u>

The right-of-use assets represent the Company's rights to use underlying leased premises under lease arrangements over the lease terms.

Lease liabilities

	<u>2021</u> HK\$	<u>2020</u> HK\$
Analysed as		
- Current	394,673	518,054
- Non-current	<u>291,135</u>	<u>-</u>
	<u>685,808</u>	<u>518,054</u>
Minimum lease payments due		
- Within one year	420,000	530,000
- More than one year but not later than two years	<u>296,935</u>	<u>-</u>
	716,935	530,000
Less: Future finance charges	(31,127)	(11,946)
Present value of leases liabilities	<u><u>685,808</u></u>	<u><u>518,054</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

12. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

Lease liabilities

	<u>2021</u> HK\$	<u>2020</u> HK\$
Present value of minimum lease payments		
- Within one year	395,466	518,054
- More than one year but not later than two years	<u>290,342</u>	<u>-</u>
	<u>685,808</u>	<u>518,054</u>

13. ACCOUNT RECEIVABLES

	<u>2021</u> HK\$	<u>2020</u> HK\$
Account receivables	<u>201,000</u>	<u>279,376</u>

The following is an aged analysis of trade receivables presented based on the invoice dates that at the end of the reporting period:

	<u>2021</u> HK\$	<u>2020</u> HK\$
0 – 30 days	<u>201,000</u>	<u>279,376</u>

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	<u>2021</u> HK\$	<u>2020</u> HK\$
Deposits	315,856	206,356
Prepayments	70,235	11,760
Other receivables	<u>12,500</u>	<u>-</u>
	<u>398,591</u>	<u>218,116</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

15. FUNDS

(a) Components of the Company's Funds

The movement of each component of the Company's Funds is set out in the statement of changes in fund.

(b) Nature and purpose of each fund

(i) General fund

General fund is used for the general operation and administration of the Company.

	<u>2021</u> HK\$	<u>2020</u> HK\$
Income		
Fund from the Trust	1,199,864	3,900,000
Campaign income	1,046,000	1,780,376
Other income	25,054	514,750
	<u>2,270,918</u>	<u>6,195,126</u>
Expenditure		
Program expenses	2,021,424	3,221,857
Fundraising and marketing expenses	19,708	-
Administrative expenses	2,841,169	3,474,483
	<u>4,882,301</u>	<u>6,696,340</u>
Deficit for the year	<u>(2,611,383)</u>	<u>(501,214)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

15. FUNDS (CONTINUED)

(b) Nature and purpose of each fund (continued)

(ii) Designated funds

Designated funds represent donations that are designated for specific programmes.

For the year ended 31 December 2021

	Designated Funds						
	BOCHK Charitable Foundation 中銀香港 慈善 基金 HK\$	Lam Woo Foundation Limited 林護 基金 有限公司 HK\$	China Everbright Charitable Foundation Company Limited 中國光大控 股慈善基金 有限公司 HK\$	Golden Jubilee Charitable Foundation 同齡同心 慈善 基金 HK\$	CSOP Asset Management Limited 南方東英 有限 公司 HK\$	Lui Chi Woo Prize Limited 呂志和獎 有 限 公 司 HK\$	Total HK\$
Income Designated donation from the Trust	3,300,000	-	1,600,000	500,000	410,000	2,560,000	8,370,000
Expenditure Programme expenses	(1,303,722)	(147,314)	(1,421,784)	(198,149)	(119,473)	(1,720,218)	(4,910,660)
(Deficit)/surplus for the year	1,996,278	(147,314)	178,216	301,851	290,527	839,782	3,459,340

For the year ended 31 December 2020

	Designated Funds						
	BOCHK Charitable Foundation 中銀香港 慈善 基金 HK\$	Lam Woo Foundation Limited 林護 基金 有限公司 HK\$	China Everbright Charitable Foundation Company Limited 中國光大控 股慈善基金 有限公司 HK\$	Golden Jubilee Charity Foundation 同齡同心 慈善 基金 HK\$	New Home Association Limited 新家居 協會 有限公司 HK\$	Clifford Charitable Fund Association Limited 祈福慈善 基金會 有限公司 HK\$	Total HK\$
Income Designated donation from the Trust	3,300,000	-	1,600,000	-	500,000	-	5,400,000
Expenditure Programme expenses	(1,110,531)	(208,748)	(1,182,827)	(139,504)	(32,105)	(347,814)	(3,021,529)
(Deficit)/surplus for the year	2,189,469	(208,748)	417,173	(139,504)	467,895	(347,814)	2,378,471

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021 (in HK Dollars)

17. MEMBERS' LIABILITY

The Company is not authorised to issue share capital and is limited by guarantee. Under the provision of the Company's articles of association, every member shall, in the event of the Company being wound up, contribute such amount as may be required to meet the liabilities of the Company but not exceeding \$1,000 per member.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the management committee members on 13 June 2022.

----- End of Notes -----

