

**ACCA Charitable  
Foundation Limited  
Reports and  
Financial Statements**

Year ended 31 March 2019

Think Ahead

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# Report of the governors

The governors present their annual report together with the audited financial statements of the Company for the year ended 31 March 2019.

## Registered Office

The address of the Company's registered office is Room 1901, 19/F, World Wide House, 19 Des Voeux Road, Central, Hong Kong.

## Principal Activities

The principal activity of the Company is raising funds for donations to charitable organisations.

## Results of Operations

The Company's results for the year and the state of affairs of the Company at that date are set out in the financial statements on pages 7 to 16.

## Debentures

No debenture was issued during the year.

## Equity-Linked Arrangements

During the year, the Company did not enter into any equity-linked agreement and at the end of the year, the Company subsisted no equity-linked agreement.

## Accumulated Fund

Movements in accumulated fund during the year are set out in the statement of changes in equity.

## Donations

During the year, the Company made charitable donations of HKD621,960 (2018: HKD787,060).

## Governors

The governors of the Company who held office during the year and up to the date of this report were:-

	Appointment date	Resignation date
Cheng Wai Jeng		
Chan Wo Mi		
Wong Kin Wah Kenneth	28 September 2018	
Tso Pui Sze		28 September 2018

In accordance with the Company's articles of association, all existing governors retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

The Company received no notice in writing from the governor who resigned during the year that the resignation was due to reasons relating to the affairs of the Company.

### **Governors' Material Interests in Transactions, Arrangements and Contracts**

None of the governors had a material interest in any other significant transactions, arrangement or contracts, either directly or indirectly to which the Company was a party at the end of the year or at any time during the year.

### **Governors' Interests**

At no time during the year was the Company a party to any arrangements to enable any of the governors of the Company to obtain benefits by means of acquisition of shares in, or debentures of, the Company or any other corporation.

### **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.

### **Permitted Indemnity Provisions**

A permitting indemnity provision for the benefit of the governors of the Company is currently in force throughout the year.

### **Business Review**

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

### **Auditors**

The financial statements for the year have been audited by Aoba CPA Limited. Aoba CPA Limited has expressed its willingness to continue in office and the Board recommends that it be reappointed. A resolution proposing the reappointment of Aoba CPA Limited as auditor of the Company and giving authority to the governors to determine its remuneration will be submitted to the forthcoming annual general meeting.

On behalf of the board of governors



Chan Wo Mi  
Chairman  
Hong Kong, 17 July 2019

# Independent auditor's report

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of ACCA CHARITABLE FOUNDATION LIMITED ('the Company') set out on pages 7 to 16, which comprise the balance sheet as at 31 March 2019, and the statement of comprehensive income, the statement of changes in accumulated fund and 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 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with the 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 Companies Ordinance.

### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ('HKSA's') 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 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.

### Other Information

The governors are responsible for the other information. The other information comprises the information included in the governors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

## **Responsibilities of Governors and Those Charged with Governance for the Financial Statements**

The governors 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 Companies Ordinance, and for such internal control as the governors 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 governors 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 governors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the 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 HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governors.
- Conclude on the appropriateness of the governors' 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 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 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Aoba CPA Limited  
Certified Public Accountants  
Gary Y L Chan  
Practising certificate number: P04145  
Hong Kong, 17 July 2019

# Statement of comprehensive income

Year ended 31 March 2019

	Notes	2019 HKD	2018 HKD
<b>REVENUE</b>			
Net surplus from the ACCA Community Day	3	726,470	765,080
Rebate donations from affinity credit cards	4	70,151	56,685
Other donations		-	13,100
Bank interest income		413	42
		<hr/> 797,034	<hr/> 834,907
<b>EXPENDITURE</b>			
Accounting fee		(18,000)	(16,200)
Bank charges		(1,429)	(1,120)
Charitable donations	5	(621,960)	(787,060)
Insurance		(464)	-
Transportation		(40,800)	(38,100)
Sundry expenses		(2,405)	(105)
Surplus/(deficit) before taxation	6	<hr/> 111,976	<hr/> (7,678)
Taxation		-	-
Surplus/(deficit) after taxation		<hr/> 111,976	<hr/> (7,678)
Other comprehensive income		-	-
Surplus/(deficit) and other comprehensive income/(loss) for the year		<hr/> 111,976	<hr/> (7,678)

The annexed notes form an integral part of these financial statements

# Balance sheet

as 31 March 2019

	2019 HKD	2018 HKD
<b>Current assets</b>		
Accounts receivable	-	11,800
Cash and bank balances	1,028,419	902,843
	<hr/> 1,028,419	<hr/> 914,643
<b>Current Liabilities</b>		
Other payables	(18,000)	(16,200)
	<hr/>	<hr/>
Net Assets	1,010,419	898,443
	<hr/>	<hr/>
Accumulated Fund	1,010,419	898,443
	<hr/>	<hr/>



Chan Wo Mi  
Governor



Cheng Wai Jeng  
Governor

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

# Statement of changes in equity

Year ended 31 March 2019

	Accumulated fund
Balance at 31 March 2017	906,121
Total comprehensive loss for the year	(7,678)
<hr/>	
Balance at 31 March 2018	898,443
Total comprehensive income for the year	111,976
<hr/>	
Balance at 31 March 2019	1,010,419

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

# Statement of cash flows

Year ended 31 March 2019

	2019 HKD	2018 HKD
Cash flows from operating activities:-		
Surplus/(deficit) before taxation	111,976	(7,678)
Adjustments for:-		
Bank interest income	(413)	(42)
Operating surplus/(deficit) before changes in working capital	111,563	(7,720)
Movements in:-		
Donation receivables	11,800	(11,800)
Other payables	1,800	(1,900)
Net cash generated from/(used in) operating activities	125,163	(21,420)
Cash flows from investing activities:-		
Bank interest received	413	42
Net increase/(decrease) in cash and cash equivalents	125,576	(21,378)
Cash and cash equivalents at:-		
At the beginning of year	902,843	924,221
Cash and cash equivalents at:-		
At the end of year	1,028,419	902,843
Analysis of the balance of cash and cash equivalents:-		
Cash and bank balances	1,028,419	902,843

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

# Notes to the financial statements

## 1. General Information

ACCA CHARITABLE FOUNDATION LIMITED ('the Company') is a company incorporated in Hong Kong limited by guarantee and not having a share capital. The liability of the members is limited to HKD100 per member in the event of the Company being wound up, whilst they remain a member, or within one year after they cease to be a member. The Company's registered office and the principal place of business is located at Room 1901, 19/F, World Wide House, 19 Des Voeux Road, Central, Hong Kong.

The Company is a non-profit making organisation and the principal activity of the Company is raising funds for donations to charitable organisations.

## 2. Principal Accounting Policies

### 2.1. Statement of Compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Accounting Standards ('HKAS'), HKFRSs and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong.

The financial statements have been prepared in compliance with the Companies Ordinance.

### 2.2. Basis of Preparation

The financial statements are prepared under the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the respective notes, if appropriate.

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Company. Of these, the following development is relevant to the Company's financial statements:

#### HKFRS 9 Financial Instruments

The adoption of this standard has no material effect on the financial statements.

Up to the date of issue of these financial statements, the HKICPA has issued a few new standards, amendments and interpretations which are not yet effective for the year and which have not been adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these new standards, amendments and interpretations which have not been adopted in these financial statements is expected to be in the year of initial application.

### 2.3 Revenue Recognition

Net surplus from the ACCA Community Day is recognised on an accrual basis upon the completion of the ACCA Community Day.

Donations are recognised on an accrual basis when receipt thereof is certain.

Interest income is recognised as it accrues using the effective interest method.

### 2.4 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. Bank overdrafts that are repayable on demand and form an integral part of the cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

### 2.5 Account and Other Receivables

A receivable is recognised when the Company 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.

Account and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for credit losses.

### 2.6 Other Payables

Other payables are initially recognised at fair value. Except for financial guarantee liabilities, other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

## 2.7 Foreign Currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the statement of comprehensive income.

## 2.8 Financial Instruments

Financial assets are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value and transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

The Company's financial assets, including donation receivables and cash and cash equivalents, are subsequently measured at amortised cost using the effective interest method, less identified impairment charges as the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## 2.9 Impairment of Financial Assets

The Company recognises loss allowances for expected credit loss on the financial instruments that are not measured at fair value through surplus or deficit. The Company considers the probability of default upon initial recognition of financial assets and assesses whether there has been a significant increase in credit risk on an ongoing basis.

The Company considers the credit risk on a financial instrument is low if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

The carrying amount of the receivables is reduced through the use of the receivable impairment charges account. Changes in the carrying amount of the receivable impairment charges account are recognised in surplus or deficit. The receivables is written off against the receivable impairment charges account when the Company has no reasonable expectations of recovering the receivables.

If, in a subsequent period, the amount of expected credit losses decreases, the reversal would be adjusted to the receivable impairment charges account at the balance sheet date. The amount of any reversal is recognised in surplus or deficit.

## 2.10 Derecognition of Financial Assets

Financial assets are derecognised when the contractual rights to receive the cash flows of the financial assets expire; or where the Company transfers the financial assets and either (i) it has transferred substantially all the risks and rewards of ownership of the financial assets; or (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets but has no retained control of the financial assets.

### 3. Net Surplus from the ACCA Community Day

	2019 HKD	2018 HKD
<b>Income</b>		
Rickshaw Race	123,400	126,160
Donations	400	50,000
Sponsorships	1,038,000	922,000
Chairman Cup	63,000	167,400
Chairman Tertiary Cup	9,500	2,300
	<hr/> 1,234,300	<hr/> 1,267,860
<b>Expenditure</b>		
Licence fee	(1,330)	(1,330)
Production fee	(506,500)	(501,450)
	<hr/> (507,830)	<hr/> (502,780)
	<hr/> 726,470	<hr/> 765,080

Note: No Public Subscription Permit was required for the 2019 and 2018 Community Day held on 13 January 2019 and 28 January 2018 respectively.

### 4. Rebate Donations from Affinity Credit Cards

Under the agreement of the affinity credit card between Dah Sing Bank and Association of Chartered Certified Accountants ('ACCA') Hong Kong Branch, Dah Sing Bank will rebate on a monthly basis from 0.15% to 0.25% on the amount of detail spending by the affinity card holders to ACCA CHARITABLE FOUNDATION LIMITED.

### 5. Charitable Donations

	2019 HKD	2018 HKD
Jubilee Ministries Limited	0	10,000
The Hong Kong Federation of Youth Groups	0	100
Hong Kong Federation of Handicapped Youth	0	280,000
Hong Kong Alzheimer's Disease Association	0	255,960
Habitat for Humanity Hong Kong	0	240,000
Hong Kong Society for the Blind	100,000	0
Hong Kong Blind Union	0	1,000
Operation Dawn	355,960	0
Senior Citizen Home Safety Association	160,000	0
跑去你屋企慈善基金有限公司	6,000	0
	<hr/> 621,960	<hr/> 787,060

## 6. Taxation

The Company is a charitable organisation within the meaning of Section 88 of the Inland Revenue Ordinance and accordingly is exempted from Hong Kong profits tax.

## 7. Governors' Emoluments, Benefits, Loans and Other Material Interests

The governors of the Company received no remuneration for their services to the Company during the year (2018: Nil).

During the year, there are no retirement benefits paid to any governors in respect their of their services in connection with the management of the affairs of the Company (2018: Nil).

During the year, there are no termination benefits paid in respect of the termination of services of the Company (2018: Nil).

There were no loans, quasi-loans or other dealings in favour of the governors of the Company, their controlled bodies corporate or their connected activities subsisted during the year.

There are no significant transactions, arrangements and contracts to which the Company was a party and in which a governor 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.

## 8. Auditors Remuneration

The audit of these financial statements have been performed on an honorary basis.

## 9. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to carry out its principal activities, i.e. raising funds for donations to charitable organisations. The Company's overall strategy remains unchanged from previous year.

The capital structure of the Company consists of accumulated fund. In order to maintain or adjust the capital structure, the Company may appeal for donations from the general public.

## 10. Credit Risks

Credit risks are managed on company basis. Credit risks arise mainly from cash at banks and short term deposits.

The Company's bank balances are deposited in internationally reputable banks. As such,, no significant credit risk is anticipated.

The Company's main source of income is donations from general public and subsidy from other non-profit making organisations. It has no other significant financial assets which lead to any credit risks to the Company. Accordingly, the Company is of the opinion that the relevant credit risks of the Company is low without any significant concentration.

The maximum exposure to credit risks are represented by the carrying amount of each financial asset in the balance sheet.

#### **11. Interest Rate Risks**

Interest rate risks are risks that fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

Other than the bank balances, mainly denominated in Hong Kong dollars, which carry interest rate at market rates, the Company has no other significant interest-bearing assets and liabilities.

#### **12. Approval of Financial Statements**

The financial statements were approved by the Board of Governors on 17 July 2019.