

Contemporary Charitable Foundation Limited
當代慈善基金有限公司

Report and financial statements
Year ended 30 September 2018

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陳建恒會計師
JOHNNY CHAN
CERTIFIED PUBLIC ACCOUNTANT
HONG KONG

Independent Auditor's Report

To the Members of Contemporary Charitable Foundation Limited 當代慈善基金有限公司
(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Contemporary Charitable Foundation Limited ("the Foundation") set out on pages 3 to 10, which comprise the statement of financial position as at 30 September 2018, and the statement of profit and loss and other comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive committee members' responsibility for the financial statements

The executive committee members are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the executive committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with the Hong Kong Companies Ordinance, and for no other purposes. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committee members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Members of Contemporary Charitable Foundation Limited 當代慈善基金有限公司
(incorporated in Hong Kong and limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 30 September 2018, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



Johnny Chan
Certified Public Accountant

28 December 2018

Income and expenditure account

Year ended 30 September 2018

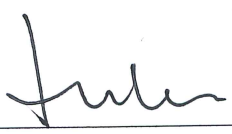
	Note	2018 HK\$	2017 HK\$
Revenue	2	795,450	336,598
Other income		26,897	38,261
Expenditure		(782,810)	(338,980)
Surplus and total comprehensive income for the year	3	<u>39,537</u>	<u>35,879</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.


Statement of financial position

As at 30 September 2018

	2018 HK\$	2017 HK\$
Current assets		
Prepayment	9,027	9,027
Donation receivable	15,000	-
Cash at bank	193,922	169,385
	<u>217,949</u>	<u>178,412</u>
Current liabilities		
Accruals	8,600	8,600
	<u>8,600</u>	<u>8,600</u>
Net assets	<u>209,349</u>	<u>169,812</u>
Representing by:		
Accumulated surplus	<u>209,349</u>	<u>169,812</u>



Executive committee member



Executive committee member

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of changes in fund

Year ended 30 September 2018

	Accumulated surplus HK\$
Balance at 1 October 2016	133,933
Changes in accumulated fund for 2017:	
Surplus and total comprehensive income for the year	35,879
Balance at 30 September 2017	<u>169,812</u>
Balance at 1 October 2017	169,812
Changes in accumulated fund for 2018:	
Surplus and total comprehensive income for the year	39,537
Balance at 30 September 2018	<u>209,349</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of cash flows

Year ended 30 September 2018

	2018 HK\$	2017 HK\$
Operating activities		
Surplus for the year	39,537	35,879
Operating profit before changes in working capital	39,537	35,879
(Increase) decrease in donation receivable	(15,000)	23,000
Net cash generated from operating activities	24,537	58,879
Net increase in cash and cash equivalents	24,537	58,879
Cash and cash equivalents at beginning of the year	169,385	110,506
Cash and cash equivalents at end of the year	193,922	169,385
Analysis of cash and cash equivalents:		
Cash at bank	193,922	169,385

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Accounting policies and explanatory notes to the financial statements

Year ended 30 September 2018

1. Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all 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 Hong Kong Companies Ordinance.

(b) Basis of preparation

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars ("HK\$").

(c) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Foundation. None of these impact on the accounting policies of the Foundation. However, additional disclosure has been included to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, Statement of cash flows: Disclosure initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Foundation has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

(e) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the company 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.

Accounting policies and explanatory notes to the financial statements

Year ended 30 September 2018

1. Significant accounting policies (continued)

(f) Provisions and contingent liabilities

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, the existence of which 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.

(g) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue and costs, if applicable, can be measured reliably. Donation is recognised when the Foundation becomes entitled to the donations and it is probable that they will be received, which is generally upon receipt of cash.

(h) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (i) A person, or a close member of that person's family, is related to the Foundation if that person:
 - (1) has control or joint control over the Foundation;
 - (2) has significant influence over the Foundation; or
 - (3) is a member of the key management personnel of the Foundation or the Foundation's parent.
- (ii) An entity is related to the Foundation if any of the following conditions applies:
 - (1) the entity and the Foundation are members of the same Foundation (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Foundation of which the other entity is a member).
 - (3) both entities are joint ventures of a third entity.
 - (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) the entity is a post-employment benefit plan for the benefit of employees of either the Foundation or an entity related to the Foundation. If the Foundation is itself such a plan, the sponsoring employers are also related to the plan.
 - (6) the entity is controlled or jointly controlled by a person identified in (i).
 - (7) a person identified in (i)(1) 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).

Accounting policies and explanatory notes to the financial statements

Year ended 30 September 2018

2. Revenue

	2018 HK\$	2017 HK\$
Donation received	<u>795,450</u>	<u>336,598</u>

3. Surplus and total comprehensive income for the year

Surplus and total comprehensive income for the year is arrived at after charging:

	2018 HK\$	2017 HK\$
Auditor's remuneration	<u>8,000</u>	<u>8,000</u>

4. Income tax expense

The company is an approved charitable institution which is exempted from Hong Kong profits tax.

5. Capital management

The Foundation's primary objectives when managing capital are to safeguard the Foundation's ability to continued as a going concern

The Foundation defines "capital" as including the general fund maintained by the Foundation.

The Foundations's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Foundations, to the extent that these do not conflict with the executive committees' fiduciary duties towards the Foundation or the requirements of the Hong Kong Companies Ordinance.

6. Financial risk management and fair values

There is no significant exposure to credit, interest rate, and liquidity risks as the company has no substantial financial instruments outstanding at the end of the reporting period.

All financial instruments are carried at amount not materially different from their fair values as at the end of the reporting period.

Accounting policies and explanatory notes to the financial statements

Year ended 30 September 2018

7. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 September 2018

Up to the date of issue of these financial statements²⁷⁵, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 September 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Foundation.

	<i>Effective for accounting periods beginning on or after</i>
HKFRS 16, <i>Leases</i>	1 January 2019
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i>	1 January 2019
Annual Improvements to HKFRSs 2015-2017 Cycle	1 January 2019
Amendments to HKAS 28, <i>Long-term interest in associates and joint ventures</i>	1 January 2019

The Foundation is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Foundation has identified some aspects of the new standards which may have a significant impact on the financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Foundation. The Foundation may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

8. Approval of financial statements

The financial statements were approved and authorised for issue by the executive committee on 28 December 2018.

Detailed income and expenditure account

Year ended 30 September 2018

	2018 HK\$	2017 HK\$
Income		
Sponsorship received for campaign event	-	-
Donation received	795,450	336,598
	<u>795,450</u>	<u>336,598</u>
Add: <u>Other income</u>		
Bank interest income	88	57
	26,809	-
Sundry income	-	38,204
	<u>822,347</u>	<u>374,859</u>
Less: <u>Expenditure</u>		
Auditor's remuneration	8,000	8,000
Bank charges	-	899
Campaign expense	508,800	97,171
Courier charges	-	84
Donation	250,000	215,000
Legal and professional fee	400	-
Local travelling	70	-
Printing and stationery	600	2,800
Secretarial fee	5,600	2,900
Sundry expenses	2,140	4,926
Website maintenance	7,200	7,200
	<u>782,810</u>	<u>338,980</u>
Surplus for the year	<u>39,537</u>	<u>35,879</u>