

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

Report and financial statements
Year ended 30 September 2023

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CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

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Independent Auditor's Report

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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)

Report on the Audit of the Financial Statements**Opinion**

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 2023, and the statement of profit and loss and other comprehensive income, statement of changes in equity 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 30 September 2023, 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 ("HKSAs") 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 executive committee members are responsible for the other information. The other information comprises the information included in the executive committee members' report, but does not include the financial statements and

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 respect.

Responsibilities of Executive Committee Members 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 HKFRS for Private Entities issued by the HKICPA 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.

In preparing the financial statements, the executive 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 executive committee members either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report - continued

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)

The executive committee members 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 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 auditor's 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.
- 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 executive committee members.
- Conclude on the appropriateness of the executive 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 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 the executive 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.



Global Associates CPA Limited

Certified Public Accountants

Ip Man Kit

Practising Certificate No.: P06202

11 JAN 2024

Income and expenditure account

Year ended 30 September 2023

	Note	2023 HK\$	2022 HK\$
Revenue	2	654,500	332,700
Other income		107,482	18,782
Expenditure		(883,637)	(1,356,077)
Deficit and total comprehensive income for the year	3	<u>(121,655)</u>	<u>(1,004,595)</u>

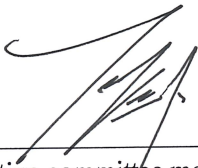
The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of financial position

As at 30 September 2023

	2023 HK\$	2022 HK\$
Current assets		
Prepayment	3,084	6,729
Cash at bank	124,886	239,594
	<u>127,970</u>	<u>246,323</u>
Current liabilities		
Accruals	13,302	10,000
	<u>13,302</u>	<u>10,000</u>
Net assets	<u>114,668</u>	<u>236,323</u>
 Representing by:		
Accumulated surplus	<u>114,668</u>	<u>236,323</u>

Approved on behalf
of the Board by:


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 2023

	Accumulated surplus HK\$
Balance at 1 October 2021	1,240,918
Changes in accumulated fund for 2022:	
Deficit and total comprehensive income for the year	(1,004,595)
Balance at 30 September 2022	<u>236,323</u>
Balance at 1 October 2022	236,323
Changes in accumulated fund for 2023:	
Deficit and total comprehensive income for the year	(121,655)
Balance at 30 September 2023	<u><u>114,668</u></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 2023

	2023 HK\$	2022 HK\$
Operating activities		
Deficit for the year	(121,655)	(1,004,595)
Operating loss before changes in working capital	(121,655)	(1,004,595)
Decrease in prepayment	3,645	4,678
Increase in accruals	3,302	-
Net cash used in operating activities	(114,708)	(999,917)
Net decrease in cash and cash equivalents	(114,708)	(999,917)
Cash and cash equivalents at beginning of the year	238,594	1,238,511
Cash and cash equivalents at end of the year	123,886	238,594
Analysis of cash and cash equivalents:		
Cash at bank	124,886	1,238,511

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 2023

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 2023

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 2023

2. Revenue

	2023	2022
	HK\$	HK\$
Donation received	<u>654,500</u>	<u>332,700</u>

3. Deficit and total comprehensive income for the year

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

	2023	2022
	HK\$	HK\$
Auditor's remuneration	<u>10,500</u>	<u>10,000</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 2023

7. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 September 2023

Up to the date of issue of these financial statements, the HKICPA has issued new amendments and new standards which are not yet effective for the year ended 30 September 2023 and which have not been adopted in these financial statements. They include the following which may be relevant to the Company.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the company's results of operations and financial position.

*Effective for
accounting periods
beginning on or after*

HKFRS 17, *Insurance contracts* 1 January 2023

Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* 1 January 2023

Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies* 1 January 2023

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates* 1 January 2023

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction* 1 January 2023

The Company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

8. Approval of financial statements

The financial statements were approved and authorised for issue by the executive committee on 11 JAN 2024

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

(For management purposes only)

Detailed income and expenditure account

Year ended 30 September 2023

	2023 HK\$	2022 HK\$
Income		
Donation received	654,500	332,700
Add: <u>Other income</u>		
Bank interest income	864	47
Sundry income	106,618	18,735
	<u>761,982</u>	<u>351,482</u>
Less: <u>Expenditure</u>		
Auditor's remuneration	10,500	10,000
Bank charges	-	16
Campaign expense	28,955	242,859
Donation	540,000	136,600
Exchange losses, net	984	896
Legal and professional fee	118	26,000
Office rent	120,000	40,000
Postage and courier	153	314
Printing and stationery	11,569	21,767
Secretarial fee	3,100	3,000
Sponsorship	160,215	870,000
Sundry expenses	3,472	902
Telephone and internet	1,471	61
Uniform	3,100	-
Website maintenance	-	3,662
	<u>883,637</u>	<u>1,356,077</u>
Deficit for the year	<u>(121,655)</u>	<u>(1,004,595)</u>