

WONG CHI KEUNG, DENNIS

Certified Public Accountant, Hong Kong.

王志強執業會計師

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED

(童享慈善基金會有限公司)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2024

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31st March 2024.

PRINCIPAL ACTIVITIES

The company principally offers local underprivileged children diverse learning experiences that are normally not an option, given their financial constraints and familial expectations. It offers a diverse spectrum of programmes on music, sports, science, technology, engineering and mathematics ("STEM") through the partnership with kindergartens and primary schools.

BUSINESS REVIEW

Since 2019, Hong Kong Children In Need Foundation Limited ("HKCIN") has been recognized as a charitable organization under Section 88 of the Inland Revenue Ordinance (Cap. 112). HKCIN is committed to providing high-quality STEAM education and 'experiences for children across Hong Kong. Our mission is to inspire the next generation by lifelong learning. By nurturing children's creativity, individuality, and potential, we aim to 'instill positive and proactive values through the innovative use of STEAM to address societal challenges, strengthen family bonds, and promote individual well-being.

Between 2023 and 2024, HKCIN introduced a series of STEAM programs centered on the themes of "Smart Living" and "Health and Well-being." These initiatives benefited over 851 students, 603 parents, 39 teachers, and 15 schools. Key programs included the "AIA STEM Buddies Program 2023", "INventoo - STEM Inventors in School Project", "STEAM-Ed: Micro:bit Maker Workshop x Island School", "OWC "Take Your Time" Series Events" and others. These programs offered valuable hands-on experiences, equipping participants with critical thinking, design thinking, and problem-solving skills essential for the challenges of the 21st century.

Looking ahead, HKCIN remains steadfast in its mission to empower children through innovative STEAM education. We will continue to design and enhance programs that inspire children to adopt a self-directed learning mindset. Our upcoming initiatives will include STEAM competitions, life-value education programs, and financial literacy training. To ensure the sustainability and growth of our programs, HKCIN will actively seek new partnerships, sponsorships, and donations. Through these efforts, we aim to broaden our impact and continue nurturing the next generation of thinkers, creators, and leaders.

RESULTS

The results of the company for the year are on page 7.

The directors propose that the accumulated deficit of HK\$2,347 at 31st March 2024 be carried forward.

DIRECTORS

The directors during the year and up to the date of this report are:

Mr Ho, Tak Pong Matthew

Mr Tsang, Ling Biu Gilbert

DIRECTORS (CONTINUED)

In accordance with Article 17 of the company's Articles of Association, all present directors continue in office.

DIRECTORS' INTERESTS

Messrs Ho, Tak Pong Matthew is a director of a related company, Everest Capital Associates (HK) Limited which received insurance recharge of HK\$33,487 from Hong Kong Children In Need Foundation Limited during the year ended 31st March 2024.

Messrs, Ho Tak Pong Matthew donated HK\$188,000 to Hong Kong Children In Need Foundation Limited during the year ended 31st March 2024.

Apart from the above, no other contracts of significance in relation to the company's business to which the company was a party and in which a director 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.

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

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 PROVISION

At no time during the financial year and up to the date of this directors' report there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the company.

AUDITOR

The financial statements have been audited by Wong Chi Keung, Dennis who retires and, being eligible, offers himself for re-appointment.

On behalf of the board



Ho, Tak Pong Matthew
Director

HONG KONG, 18th December 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)**

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Hong Kong Children In Need Foundation Limited ("the Company") set out on pages 7 to 19, which comprise the statement of financial position as at 31st March 2024, the income statement, the statement of cash flow and the statement of changes in fund for the year then ended, and notes to the financial statements, including material accounting policy information.

In my opinion, the financial statements give a true and fair view of the financial position of the company as at 31st March 2024, and of its financial performance and its cash flows of the company 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

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Fundamental uncertainty: Going concern

The financial statements have been prepared on a going concern basis. This basis may not be appropriate because the company incurred a deficit of HK\$102,836 during the year ended 31st March 2024 and at that date its current liabilities exceeded its current assets by HK\$46,623. The company also has an accumulated deficit HK\$2,347. There is therefore no certainty that the company will be able to continue as a going concern.

Should the company be unable to continue in business as a going concern, adjustments would have to be made to reduce the value of assets to their recoverable amount and to provide for any further liabilities which might arise.

I consider that appropriate disclosures have been made and my opinion is not qualified in this respect.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)**

Report on the Audit of the Financial Statements (Continued)

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)**

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. I report my opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. I 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

WONG CHI KEUNG, DENNIS

Certified Public Accountant, Hong Kong.

王志強執業會計師

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)**

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

I 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 I identify during my audit.



WONG CHI KEUNG, DENNIS

Certified Public Accountant

HONG KONG, 18th December 2024

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
INCOME STATEMENT
FOR THE YEAR ENDED
31ST MARCH 2024

| | Note | 2024 HK\$ | 2023 HK\$ |
|---|------|------------------|------------------|
| Income | | | |
| Donation receipts | | 1,731,627 | 1,819,950 |
| Other income | 6 | <u>384</u> | <u>56,570</u> |
| | | <u>1,732,011</u> | <u>1,876,520</u> |
| Expenses | | | |
| Program costs | | 676,948 | 438,091 |
| Staff costs | | 913,977 | 663,524 |
| Consultancy fee | | 35,788 | 75,642 |
| Design fee | | - | 8,318 |
| Depreciation | | 8,502 | - |
| Administrative expenses | | <u>199,632</u> | <u>25,346</u> |
| | | <u>1,834,847</u> | <u>1,210,921</u> |
| (Deficit)/surplus before taxation | 7 | (102,836) | 665,599 |
| Taxation | 9 | <u>-</u> | <u>-</u> |
| (Deficit)/surplus and total comprehensive (deficit)/surplus for the year | | (102,836) | 665,599 |
| Accumulated surplus/(deficit) brought forward | | <u>100,489</u> | <u>(565,110)</u> |
| Accumulated (deficit)/surplus carried forward | | <u>(2,347)</u> | <u>100,489</u> |

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED

(童享慈善基金會有限公司)

(Incorporated in Hong Kong with limited guarantee)

STATEMENT OF FINANCIAL POSITION**AS AT 31ST MARCH 2024**

| | Note | 2024 HK\$ | 2023 HK\$ |
|-------------------------------|------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Plant and equipment | 10 | 34,276 | - |
| Loan receivable | 11 | 10,000 | - |
| | | <u>44,276</u> | <u>-</u> |
| Current assets | | | |
| Loan receivable | 11 | 120,000 | - |
| Rental deposit | | 25,000 | - |
| Prepayment | | 7,240 | 8,130 |
| Bank balances | | 38,253 | 489,864 |
| | | <u>190,493</u> | <u>497,994</u> |
| Total assets | | <u>234,769</u> | <u>497,994</u> |
| FUND | | | |
| Accumulated (deficit)/surplus | | <u>(2,347)</u> | <u>100,489</u> |
| Total fund | | <u>(2,347)</u> | <u>100,489</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Receipt in advance | 12 | 211,189 | 381,489 |
| Accrued expenses | | 25,927 | 16,016 |
| | | <u>237,116</u> | <u>397,505</u> |
| Total fund and liabilities | | <u>234,769</u> | <u>497,994</u> |

Ho, Tak Pong Matthew
DirectorTsang, Ling Biu Gilbert
Director

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED
31ST MARCH 2024

| | Accumulated (deficit)/ surplus HK\$ | Total HK\$ |
|---|--|-----------------------|
| At 31st March 2022 | (565,110) | (565,110) |
| Surplus and total comprehensive surplus for the year | <u>665,599</u> | <u>665,599</u> |
| At 31st March 2023 | 100,489 | 100,489 |
| Deficit and total comprehensive deficit for the year | <u>(102,836)</u> | <u>(102,836)</u> |
| At 31st March 2024 | <u><u>(2,347)</u></u> | <u><u>(2,347)</u></u> |

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31ST MARCH 2024

| | 2024 | 2023 |
|--|----------------------|-----------------------|
| | HK\$ | HK\$ |
| Cash flows from operating activities | | |
| (Deficit)/surplus before taxation | (102,836) | 665,599 |
| Depreciation | <u>8,502</u> | <u>-</u> |
| Operating (deficit)/surplus before working capital changes | (94,334) | 665,599 |
| Increase in loan receivable | (130,000) | - |
| Increase in rental deposit | (25,000) | - |
| Decrease/(increase) in prepayment | 890 | (239) |
| Decrease in accounts payable | - | (130,000) |
| Decrease in receipt in advance | (170,300) | (165,000) |
| Increase in accrued expenses | <u>9,911</u> | <u>223</u> |
| Net cash (used in)/from operating activities | (408,833) | 370,583 |
| | ----- | ----- |
| Cash flows from investing activities | | |
| Purchase of plant and equipment | <u>(42,778)</u> | <u>-</u> |
| Net cash used in investing activities | (42,778) | - |
| | ----- | ----- |
| Net(decrease)/increase in bank balances | (451,611) | 370,583 |
| Bank balances at beginning of the year | <u>489,864</u> | <u>119,281</u> |
| Bank balances at end of the year | <u><u>38,253</u></u> | <u><u>489,864</u></u> |

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
NOTES TO THE FINANCIAL STATEMENTS

1. General information

Hong Kong Children In Need Foundation Limited is a company limited by guarantee, incorporated in Hong Kong. The address of its registered office is Room 1302, 13th Floor, Prosperity Tower, No. 39 Queen's Road Central, Central, Hong Kong.

2. Principal activities

The company principally offers local underprivileged children diverse learning experiences that are normally not an option, given their financial constraints and familial expectations. It offers a diverse spectrum of programmes on music, sports, science, technology, engineering and mathematics ("STEM") through the partnership with kindergartens and primary schools.

3. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented.

(a) Statement of compliance and basis of preparation

For the purposes of compliance with Sections 379 and 380 of the Hong Kong Companies Ordinance (Cap. 622), the financial statements of Hong Kong Children In Need Foundation Limited have been prepared to present a true and fair view of the financial position and financial performance of the company. Consequently, the financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs, which term collectively includes Hong Kong Accounting Standards (HKASs) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance (Cap. 622) that are relevant to the preparation of the financial statements.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention.

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of material accounting policies (Continued)

(a) Statement of compliance and basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the company's 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 note 5.

The adoption of revised HKFRS

In 2024, the Company adopted the following new standard and amendments to existing standards below, which are relevant to its operations.

New standard and amendments to existing standards

| | |
|--|--|
| HKAS 1 and HKFRS Practice Statement 2 (Amendments) | Disclosure of Accounting Policies |
| HKAS 8 (Amendment) | Definition of Accounting Estimates |
| HKAS 12 (Amendment) | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| HKFRS 17 and HKFRS 17 (Amendment) | Insurance Contracts |
| HKFRS 17 (Amendment) | Initial Application of HKFRS 17 and HKFRS 9 - Comparative Information |

The adoption of the above new standard and amendments to existing standards does not have a material impact to the results and financial position of the Company.

Amendments and interpretation to existing standards that are relevant but not yet effective to the company

| <u>Amendments and interpretation to existing standards</u> | | <u>Effective for accounting periods beginning on or after</u> |
|--|---|---|
| HKAS 1 (Amendment) | Classification of Liabilities as Current or Non-Current | 1st January 2024 |
| HKAS 1 (Amendment) | Non-Current Liabilities with Covenants | 1st January 2024 |

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of material accounting policies (Continued)

(a) Statement of compliance and basis of preparation (Continued)

Amendments and interpretation to existing standards that are relevant but not yet effective to the company (Continued)

| | | Effective for accounting periods <u>beginning on or after</u> |
|--|---|---|
| New standard, amendments and improvement to existing standards <u>(continued)</u> | | |
| HKFRS 16 (Amendment) | Lease Liability in a Sale and Leaseback | 1st January 2024 |
| HKAS 7 and HKFRS 7 (Amendment) | Supplier Finance Arrangements | 1st January 2024 |
| HKAS 21 (Amendment) | Lack of Exchangeability | 1st January 2025 |
| HKFRS 10 and HKAS 28 (Amendments) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be announced |

The adoption of the above amendments and interpretation to existing standards is not expected to have a significant effect on the financial statements of the Company.

(b) Revenue

Revenue represents donations received and receivable from the donors are certain.

(c) Revenue recognition

Donations are recognised upon the receipt of donations from the donors.

Government subsidy is recognised when the right to receive payment is certain.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(d) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of primary economic environment in which the company operates (the "functional currency"). The financial statements are presented in Hong Kong dollar, which is the company's functional and presentation currency.

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
NOTES TO THE FINANCIAL STATEMENTS

3. Summary of material accounting policies (Continued)

(d) Foreign currencies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(e) Depreciation of plant and equipment

Plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated to write off the cost of plant and equipment over their estimated useful lives to their residual values, using the straight line basis at the following annual rates:

| | |
|------------------------|---------|
| Office equipment | 33 1/3% |
| Furniture and fixtures | 20% |

The residual values of the assets and their useful lives are reviewed and adjusted if appropriate, at each financial position date.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

The gains or losses on disposal of plant and equipment are determined as the difference between the net sales proceeds and the carrying amounts of the relevant assets, and are recognised in the income statement.

(f) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

3. Summary of material accounting policies (Continued)

(g) Impairment of assets

An assessment is made at each financial reporting date to determine whether there is any indication of impairment or reversal of previous impairment, including items of plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(h) Taxation

The Company is exempt from Hong Kong profits tax assessment.

4. Financial risk management

4.1 Financial risk factors

The company's activities expose it to certain financial risks, including currency risk and liquidity risk. The company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

(a) Foreign exchange risk

The company mainly operates in Hong Kong with most of the transactions settled in Hong Kong dollar and did not have significant exposure to foreign exchange risk during 2023 and 2024.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. The company aims to maintain flexibility in funding by keeping sufficient cash.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the financial position date to the contractual maturity date. The amount disclosed in the table is the contractual undiscounted cash flow. Balance due within 12 months equal its carrying balance as the impact of discounting is not significant.

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
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NOTES TO THE FINANCIAL STATEMENTS

4. Financial risk management (Continued)

4.1 Financial risk factors (continued)

| | |
|--------------------|--------------------------|
| | Less than 1 year HK\$ |
| At 31st March 2024 | |
| Receipt in advance | <u>211,189</u> |
| At 31st March 2023 | |
| Receipt in advance | <u>381,489</u> |

4.2 Capital risk management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital.

4.3 Fair value estimation

The fair values of loan receivable, rental deposit, prepayment, bank balances, receipt in advance and accrued expenses are assumed to approximate their carrying amount due to the short-term maturities of these assets and liabilities.

5. Critical accounting estimates and judgments

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no significant risk on the estimates and assumptions used in causing a material adjustment to the carrying amounts of assets and liabilities of the company.

6. Other income

| | 2024 | 2023 |
|---|-------------|---------------|
| | HK\$ | HK\$ |
| Government subsidy on employment support scheme | - | 48,000 |
| Reimbursement from event sponsor | - | 8,460 |
| Interest income | <u>384</u> | <u>110</u> |
| | <u>384</u> | <u>56,570</u> |

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
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NOTES TO THE FINANCIAL STATEMENTS

7. (Deficit)/surplus before taxation

| | 2024 | 2023 |
|---|-------------|--------------|
| | HK\$ | HK\$ |
| (Deficit)/surplus before taxation is arrived at after crediting and charging: | | |
| Crediting | | |
| Interest income | <u>384</u> | <u>110</u> |
| Charging | | |
| Auditor's remuneration | 1,500 | 1,500 |
| Operating lease rental expense for land and buildings | 128,750 | - |
| Depreciation | 8,502 | - |
| Staff costs: | | |
| Salaries | 823,221 | 589,329 |
| Mandatory provident fund | 45,628 | 25,000 |
| Insurance | 45,128 | 42,795 |
| Training | <u>-</u> | <u>6,400</u> |

8. Directors' remuneration

The following disclosures are made pursuant to section 383(1)(a) to (f) of the Hong Kong Companies Ordinance Cap. 622 and Parts 2 to 4 of the Companies (Disclosure of Information about Benefits of Directors) Regulation Cap. 622G:

During the year, no emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2023: nil). No consideration was provided to or receivable by third parties for making available directors' services (2023: nil).

There are no loans, quasi-loans or other dealings in favour of directors of the Company, their controlled bodies corporate and connected entities (2023: nil).

During the year and at the year end, no director of the Company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party (2023: nil).

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NOTES TO THE FINANCIAL STATEMENTS

9. Taxation

No provision for Hong Kong profits tax has been made as the company is exempt from Hong Kong profits tax assessment for the year (2023: nil).

With effect from 15th October 2019, Hong Kong Children In Need Foundation Limited becomes a charitable institution of a public character that is tax-exempt under Section 88 of the Inland Revenue Ordinance (Cap. 112).

10. Plant and equipment

| | Furniture and fixtures HK\$ | Office equipment HK\$ | Total HK\$ |
|--------------------------|-----------------------------------|-----------------------------|---------------|
| Cost | | | |
| At 31st March 2023 | - | - | - |
| Additions | 37,390 | 5,388 | 42,778 |
| At 31st March 2024 | 37,390 | 5,388 | 42,778 |
| Accumulated depreciation | | | |
| At 31st March 2023 | - | - | - |
| Charge for the year | 6,856 | 1,646 | 8,502 |
| At 31st March 2024 | 6,856 | 1,646 | 8,502 |
| Net book value | | | |
| At 31st March 2024 | 30,534 | 3,742 | 34,276 |
| At 31st March 2023 | - | - | - |

11. Loan receivable

| | 2024 HK\$ | 2023 HK\$ |
|--|----------------------------|----------------------------|
| Loan receivable from a staff | 130,000 | - |
| Less: Current portion included in current liabilities | (120,000) | - |
| | <u>10,000</u> | <u>-</u> |

The company advanced interest free loan of HK\$150,000 to one of its staff in February 2024 with monthly repayment of HK\$10,000. The repayment will be deducted from his monthly salary until April 2025.

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
NOTES TO THE FINANCIAL STATEMENTS

12. Receipt in advance

The company received a donation of HK\$660,000 during the year ended 31st March 2022 from an organisation to run a children programme for four years. The unused amount of HK\$211,189 (2023: HK\$381,489) as at 31st March 2024 was disclosed in the company's statement of financial position under receipt in advance.

13. Operating lease commitments

The future aggregate minimum lease rental expenses under non-cancellable operating lease as at 31st March 2024 are payable in the following year:

| | 2024 | 2023 |
|---------------|-------------|-------------|
| | HK\$ | HK\$ |
| At 31st March | | |
| 2025 | 50,000 | - |

14. Related party transactions

Significant transactions conducted in the normal course of business with related parties during the year are as follows :

| | 2024 | 2023 |
|-------------------------------|-------------|-------------|
| | HK\$ | HK\$ |
| Receipt of donations | 188,000 | 510,000 |
| Payment of insurance recharge | 33,487 | 34,183 |

Messrs Ho, Tak Pong Matthew is a director of a related company, Everest Capital Associates (HK) Limited which donated HK\$nil (2023: HK\$85,000) and received insurance recharge of HK\$33,487 (2023: HK\$34,183) from Hong Kong Children In Need Foundation Limited during the year ended 31st March 2024.

Messrs Ho, Tak Pong Matthew is a director and founder member who donated HK\$188,000 (2023: HK\$425,000) to Hong Kong Children In Need Foundation Limited during the year ended 31st March 2024.

15. Approval of financial statements

The financial statements were approved by the board of directors on 18th December 2024.

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED
31ST MARCH 2024

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

| | 2024 | 2023 |
|---|-------------|-------------|
| | HK\$ | HK\$ |
| Income | | |
| Donation receipts | 1,731,627 | 1,819,950 |
| | ----- | ----- |
| Other income | | |
| Government subsidy on employment support scheme | - | 48,000 |
| Reimbursement from event sponsor | - | 8,460 |
| Interest income | 384 | 110 |
| | ----- | ----- |
| | 384 | 56,570 |
| | ----- | ----- |
| | 1,732,011 | 1,876,520 |
| | ----- | ----- |
| Program costs | | |
| School training programmes | 18,403 | 7,999 |
| Teacher and coach fees | 321,025 | 302,130 |
| Website set up fee for programme platform | 105,000 | - |
| Food and beverages for event | 17,200 | - |
| Gift to children and volunteers | - | 600 |
| Teacher training fee | 61,100 | 60,450 |
| Scholarship program | 132,353 | 65,522 |
| Others | 21,867 | 1,390 |
| | ----- | ----- |
| | 676,948 | 438,091 |
| | ----- | ----- |
| Expenses | | |
| Salaries | 823,221 | 589,329 |
| Consultancy fee | 35,788 | 75,642 |
| Mandatory provident fund | 45,628 | 25,000 |
| Accounting fee | 5,500 | 2,500 |
| Auditor's remuneration | 1,500 | 1,500 |
| | ----- | ----- |
| Balance carried forward | 911,637 | 693,971 |

HONG KONG CHILDREN IN NEED FOUNDATION LIMITED
(童享慈善基金會有限公司)
(Incorporated in Hong Kong with limited guarantee)
DETAILED INCOME STATEMENT (CONTINUED)
FOR THE YEAR ENDED
31ST MARCH 2024

(FOR MANAGEMENT INFORMATION PURPOSES ONLY)

| | 2024 | 2023 |
|---|------------------|------------------|
| | HK\$ | HK\$ |
| Balance brought forward | 911,637 | 693,971 |
| Bank charges | 6,171 | 4,704 |
| Courier and postage | 1,905 | 1,378 |
| Depreciation | 8,502 | - |
| Insurance for staff | 45,128 | 42,795 |
| Domain, cloud storage and internet expenses | 15,110 | 1,816 |
| Local travelling | 3,064 | 7,459 |
| Printing and stationery | 5,961 | 4,216 |
| Filing fee | 105 | - |
| Rental expense | 128,750 | - |
| Office removal expense | 9,220 | - |
| Training | - | 6,400 |
| Electricity | 8,315 | - |
| Design fee | - | 8,318 |
| Stamp duty for tenancy agreement | 378 | - |
| Sundries | 13,653 | 1,773 |
| | <u>1,157,899</u> | <u>772,830</u> |
| Program costs and expenses | <u>1,834,847</u> | <u>1,210,921</u> |
| (Deficit)/surplus before taxation | <u>(102,836)</u> | <u>665,599</u> |