

HKCSS WISEGIVING LIMITED
(Limited by guarantee)

REPORT OF THE EXECUTIVE COMMITTEE
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2019

HKCSS WISEGIVING LIMITED
(Limited by guarantee)

REPORT OF THE EXECUTIVE COMMITTEE

The executive committee submits to members its report and financial statements for the year ended 31st March, 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Association are to provide philanthropic advisory services to individuals, corporations and foundations.

FINANCIAL STATEMENTS

The financial performance of the Association for the year ended 31st March, 2019 and the financial position of the Association at that date are set out in the financial statements on pages 6 to 21.

DONATIONS

For the year ended 31st March, 2019, the Association made donations amounting to HK\$2,686,056 for charitable and other purposes.

MEMBERS OF THE EXECUTIVE COMMITTEE

The members of the executive committee during the financial year and up to the date of this report were:

CHAN Bernard Charnwut
KWOK Lam Kwong, Larry
LIU Tat Yin, Kennedy
CHUA Hoi Wai
LAW Elizabeth
LEUNG Pui Yiu, Irene
KWOK Lit Tung

(Appointed on 3.12.2018)
(Resigned on 3.12.2018)

There being no provision in the Association's articles of association regarding rotation of executive committee members, all existing executive committee members continue to hold office.

No contracts of significance to which the Association or its fellows subsidiaries or holding company was a party and in which an executive committee member of the Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

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

HKCSS WISEGIVING LIMITED
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REPORT OF THE EXECUTIVE COMMITTEE

PERMITTED INDEMNITY PROVISIONS

At no time during the year and up to the date of this report of the executive committee, there was or any permitted indemnity provision being in force for the benefit of any of the executive committee the Association (whether made by the Association or otherwise).

AUDITORS

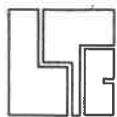
The financial statements have been audited by Messrs. Li, Tang, Chen & Co., who retire but, be eligible, offer themselves for re-appointment.

On behalf of the executive committee



.....
CHAN Bernard Charnwut
Executive Committee Member

Hong Kong, 23rd September, 2019



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HKCSS WISEGIVING LIMITED**
(incorporated in Hong Kong with limited by guarantee)

OPINION

We have audited the financial statements of HKCSS WiseGiving Limited ("the Association") set out on pages 6 to 21, which comprise the statement of financial position as at 31st March, 2019, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and notes on 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 Association as at 31st March, 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association 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 report of executive committee, 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 regard.

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RESPONSIBILITIES OF EXECUTIVE COMMITTEE MEMBERS AND THOSE CHARGED WITH GOVERNANCE 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 HKFRSs 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 Association'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 Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Association'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.

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONT'D)**

- 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 Association'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 Association 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.

Li Tang Chen & Co.
Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
10/F Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

23rd September, 2019

RCMC/SMW:al


HKCSS WISEGIVING LIMITED
(Limited by guarantee)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2019

	<u>Note</u>	<u>2019</u> HK\$	<u>2018</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	9	25,714	30,407
CURRENT ASSETS			
Accounts receivable	10	2,500	3,348
Amounts due from Hong Kong Council of Social Service	12	-	17,519
Cash and bank balances	11	4,673,839	5,876,875
		<u>4,676,339</u>	<u>5,897,742</u>
CURRENT LIABILITIES			
Accounts payable and accrued expenses		40,000	144,593
Amount due to The Hong Kong Council of Social Service	12	3,191	-
Receipts in advance – Donation funds not yet utilised	13	-	2,018,873
		<u>43,191</u>	<u>2,163,466</u>
NET CURRENT ASSETS		<u>4,633,148</u>	<u>3,734,276</u>
NET ASSETS		<u>4,658,862</u>	<u>3,764,683</u>
FUND			
Accumulated surplus		<u>4,658,862</u>	<u>3,764,683</u>

The financial statements on pages 6 to 21 were approved and authorised for issue by the Executive Committee on 23rd September, 2019.


.....
LAW Elizabeth
Executive Committee Member


.....
Hoi Wai CHUA
Executive Committee Member

HKCSS WISEGIVING LIMITED

(Limited by guarantee)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2019

	<u>Note</u>	<u>2019</u> HK\$	<u>2018</u> HK\$
REVENUES	5	4,127,183	3,568,319
OTHER INCOME	5	<u>3,271</u> 4,130,454	<u>829</u> 3,569,148
TRANSFER FROM DONATION FUNDS NOT YET UTILISED		<u>2,062,871</u> 6,193,325	<u>606,247</u> 4,175,395
DONATION EXPENSES		(2,686,056)	(2,104,518)
ADMINISTRATIVE AND OPERATING EXPENSES	6	<u>(2,613,090)</u>	<u>(2,549,991)</u>
SURPLUS/(DEFICIT) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	7	<u>894,179</u>	<u>(479,114)</u>

HKCSS WISEGIVING LIMITED
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STATEMENT OF CHANGES IN FUND

FOR THE YEAR ENDED 31ST MARCH, 2019

	<u>Accumulated surplus</u> HK\$
Balance at 1 st April, 2017	4,243,797
Deficit and total comprehensive loss for the year	<u>(479,114)</u>
Balance at 31st March, 2018 and 1st April, 2018	3,764,683
Surplus and total comprehensive income for the year	<u>894,179</u>
Balance at 31st March, 2019	<u><u>4,658,862</u></u>

HKCSS WISEGIVING LIMITED
 (Limited by guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2019

	<u>2019</u> HK\$	<u>2018</u> HK\$
OPERATING ACTIVITIES		
Surplus/(deficit) for the year	894,179	(479,114)
Adjustments for:		
Depreciation	20,458	15,203
Interest income	(1,901)	(417)
Operating cash inflows/(outflows) before change in working capital	912,736	(464,328)
Decrease in accounts receivable	848	733,444
Decrease/(increase) in amount due from The Hong Kong Council of Social Service	17,519	(17,519)
Increase/(decrease) in amount due to The Hong Kong Council of Social Service	3,191	(817,405)
Decrease in receipts in advance – Donation funds not yet utilized	(2,018,873)	(606,275)
(Decrease)/increase in accounts payable and accrued expenses	(104,593)	116,442
Decrease in receipts in advance – Service fee income	-	(311,544)
Net cash used in operating activities	(1,189,172)	(1,367,185)
	-----	-----
INVESTING ACTIVITIES		
Interest received	1,901	417
Purchase of property, plant and equipment	(15,765)	(45,610)
Net cash used in investing activities	(13,864)	(45,193)
	-----	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,203,036)	(1,412,378)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	5,876,875	7,289,253
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4,673,839	5,876,875
	=====	=====
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,673,839	5,876,875
	=====	=====

HKCSS WISEGIVING LIMITED
(Limited by guarantee)

NOTES ON THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

HKCSS WiseGiving Limited ("the Association") was incorporated on 21st June, 2010 under Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital. Each member of the Association has undertaken to contribute an amount not exceeding HK\$100 to the assets of the Association in the event of it being wound up.

The principal activities of the Association are to provide philanthropic advisory services to individuals, corporation and foundations.

The address of its registered office is 13/F., Duke of Windsor Social Service Building, 15 Hennessy Road, Wanchai, Hong Kong.

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

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Association. The Association has initially applied the new and revised HKFRSs for accounting periods beginning on or after 1st April, 2018. A summary of the change in accounting policies is set out in note 3(k) on the financial statements.

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

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31st March, 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31st March, 2019 and which have not been adopted in these financial statements.

The Association 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 it has concluded that the adoption of them is unlikely to have a significant impact on the Association's financial performance and financial position.

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NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Basis of preparation:

- i) The financial statements have been prepared in accordance with HKFRSs (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention.
- ii) The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

b) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, on the straight-line basis at the following rates per annum:.

Office equipment	3-5 years
Computer equipment	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net sale proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year in which the item is derecognised.

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NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Receivable:

A receivable is recognised when the Association's right to consideration is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due. Receivables are stated at amortized cost using the effective interest method less allowance for credit losses (see note 3j).

d) Payable:

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

e) Revenue recognition:

Revenue is recognised when the Association satisfies a performance obligation by transferring promised good or service to a customer obtains control over the good or service. When the performance obligation is satisfied, revenue is recognised at the amount of the transaction price that is allocated to that performance obligation. Further details of the Association revenue recognition is as follows:

- i) Donations are recorded as income upon receipt except for donations received for special projects which are credited to donation funds not yet utilised as stated in the statement of financial position as to be designated for specific purposes. Designated funds are released to the statement of comprehensive income when utilised.
- ii) Service fee income is recognised when services are rendered on a straight-line basis over the terms of agreements.
- iii) Bank interest income is recognised as it accrues using the effective interest method.

f) Related parties:

- a) A person, or a close member of that person's family, is related to the Association if that person:
 - i) has control or joint control over the Association;
 - ii) has significant influence over the Association; or
 - iii) is a member of the key management personnel of the Association or the Association's parent.

HKCSS WISEGIVING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- f) Related parties: (cont'd)
- b) An entity is related to the Association if any of the following conditions applies:
- i) The entity and the Association are members of the same group.
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.
 - vi) The entity is controlled or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii) The entity, or any member of the group of which it is a part, provided key management services to the group or to the parent of the group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

- g) Retirement benefits scheme:

The Association participates in a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income as they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Association in an independently administered fund. The employer's contributions vest fully with the employees when contributed into the Scheme.

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NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Cash and cash equivalents:

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

i) Impairment of non-finance assets:

Non-financial assets such as property, plants and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not exceed the recoverable amount. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. An impairment loss is reversed if there has been favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is credited to profit or loss and is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

j) Credit losses and impairment of financial assets:

The Association recognises a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Association in accordance with the contract and the cash flows that the Association expects to receive).

Loss allowances for receivables are often measured at an amount equal to lifetime ECLs based on the Association's historical credit loss experience, adjusted for factors that are specific to debtors and the current and forecast general economic conditions at the reporting date.

Lifetime ECLs are losses that are expected to result from all possible default events over the expected lives of the financial assets.

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NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Applications of new and revised HKFRSs:

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Association. The Association has initially applied the following HKFRSs at 1st April, 2018.

i) *HKFRS 9 Financial Instruments*

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the “expected credit loss” (ECL) model with the result that a loss event will no longer need to occur before an impairment allowance is recognised. Prior to 1st April, 2018, incurred loss model was used to measure impairment losses on receivables. Impairment loss was recognised when there was objective evidence of impairment. Upon adoption of HKFRS 9, the Association used the new model to measure expected credit losses and changes in expected credit losses. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition. The new model requires an ongoing measurement of credit risk and therefore recognises credit losses earlier than the “incurred loss” model.

The adoption of HKFRS 9 has resulted in changes in accounting policies. The Association has applied HKFRS 9 retrospectively. The adoption to HKFRS 9 does not have any material effects on the Association’s financial performance and position.

ii) *HKFRS 15 Revenue from contracts with customers*

Prior to 1st April, 2018, revenue was recognised under HKAS 18 upon the completion of the performance of services. Upon adoption of HKFRS 15, the Association recognises revenue when the performance obligation is satisfied and the customer obtains control over the good or service. When the performance obligation is satisfied, revenue is recognised at the amount of the transaction price that is allocated to that performance obligation.

The adoption of HKFRS 15 has resulted in changes in accounting policies. The Association has applied HKFRS 15 retrospectively. The adoption to HKFRS 15 does not have any material effects on the Association’s financial performance and position.

HKCSS WISEGIVING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's principal financial instruments comprise accounts receivable, bank balances, accounts payable and accrued expenses and amount due to The Hong Kong Council of Social Service. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

The management manages and monitors these exposures to ensure appropriate measure are implemented on a timely and effective manner.

a) Credit risk

The Association's maximum exposure to credit risk in the event that the counterparties failure to perform their obligations as at 31st March, 2019 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position. In order to mitigate the risk arising from bank balances, the Association places its deposits with reputable banks. In additions, accounts receivables are monitored on an ongoing basis. In this regards, the Association considers that its credit risk is significantly reduced.

b) Liquidity risk

The Association's policy is to regularly monitor its liquidity requirements to ensure that the Association maintains sufficient reserves of cash to meet its liquidity requirements in the short and long-term.

The following table details the remaining contractual maturities at the end of the reporting period of the Association's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Association can be required to pay:

	2019		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$	HK\$	HK\$
Accounts payable and accrued expenses	40,000	(40,000)	(40,000)
Amount due to The Hong Kong Council of Social Service	3,191	(3,191)	(3,191)
	43,191	(43,191)	(43,191)

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NOTES ON THE FINANCIAL STATEMENTS

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

b) Liquidity risk (cont'd)

		2018	
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$	HK\$	HK\$
Accounts payable and accrued expenses	144,593	(144,593)	(144,593)
Donation funds not yet utilised	<u>2,018,873</u>	<u>(2,018,873)</u>	<u>(2,018,873)</u>
	<u>2,163,466</u>	<u>(2,163,466)</u>	<u>(2,163,466)</u>

c) Fair value estimation

All financial instruments are carried at amounts not materially different from their fair values as at 31st March, 2019 and 31st March, 2018.

d) Capital risk management

The Association's objectives when managing capital are to safeguard the Association's ability to continue as a going concern and to support the Association's stability and growth and to provide capital for the purpose of strengthening the Association's risks management capability. Capital includes accumulated surplus.

5. REVENUES AND OTHER INCOME

Revenues and other income recognised during the year are as follows:

	2019 HK\$	2018 HK\$
Revenues		
Donations (note i)	643,810	1,567,710
Service fee income	<u>3,483,373</u>	<u>2,000,609</u>
	<u>4,127,183</u>	<u>3,568,319</u>
Other income		
Bank interest income	3,271	828
Sundry income	<u>-</u>	<u>1</u>
	<u>3,271</u>	<u>829</u>

Note:

- i) Donations that donors made directly to charitable institutions under the services of the Association are excluded in donation income.

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NOTES ON THE FINANCIAL STATEMENTS

6. ADMINISTRATIVE AND OPERATING EXPENSES

	<u>2019</u> HK\$	<u>2018</u> HK\$
Auditors' remuneration	20,000	20,000
Salaries and allowances	1,266,196	1,186,716
Mandatory Provident Fund contributions	63,310	60,330
Bank charges	1,667	2,830
Administration charges	471,159	393,483
Programme expenses	715,600	746,141
Sundry expenses	33,374	37,628
Legal and professional fees	-	2,615
Depreciation	20,458	15,203
Bad debts written off	-	16,129
Exchange loss	21,326	68,916
	<u>2,613,090</u>	<u>2,549,991</u>

7. SURPLUS/(DEFICIT) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR

	<u>2019</u> HK\$	<u>2018</u> HK\$
Donations funds over distributed for the year	(2,062,871)	(606,247)
Surplus for the year is arrived after charging the expenditures in note 6	<u>2,957,050</u>	<u>127,133</u>
	<u>894,179</u>	<u>(479,114)</u>

8. TAXATION

The Association is a charitable institution and is exempted from all Hong Kong taxes pursuant to Section 88 of the Inland Revenue Ordinance.

HKCSS WISEGIVING LIMITED
 (Limited by guarantee)

NOTES ON THE FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u> HK\$	<u>Computer equipment</u> HK\$	<u>Total</u> HK\$
As at 31.3.2017			
Cost	18,820	-	18,820
Accumulated depreciation	<u>(18,820)</u>	<u>-</u>	<u>(18,820)</u>
Net book value	<u>-</u>	<u>-</u>	<u>-</u>
Year ended 31.3.2018			
Net book value as at 31.3.2017	-	-	-
Additions	-	45,610	45,610
Depreciation for the year	<u>-</u>	<u>(15,203)</u>	<u>(15,203)</u>
Net book value as at 31.3.2018	<u>-</u>	<u>30,407</u>	<u>30,407</u>
As at 31.3.2018			
Cost	18,820	45,610	64,430
Accumulated depreciation	<u>(18,820)</u>	<u>(15,203)</u>	<u>(34,023)</u>
Net book value	<u>-</u>	<u>30,407</u>	<u>30,407</u>
Year ended 31.3.2019			
Net book value as at 31.3.2018	-	30,407	30,407
Additions	-	15,765	15,765
Depreciation for the year	<u>-</u>	<u>(20,458)</u>	<u>(20,458)</u>
Net book value as at 31.3.2019	<u>-</u>	<u>25,714</u>	<u>25,714</u>
As at 31.3.2019			
Cost	18,820	61,375	80,195
Accumulated depreciation	<u>(18,820)</u>	<u>(35,661)</u>	<u>(54,481)</u>
Net book value	<u>-</u>	<u>25,714</u>	<u>25,714</u>

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NOTES ON THE FINANCIAL STATEMENTS

10. ACCOUNTS AND OTHER RECEIVABLE

	<u>2019</u> HK\$	<u>2018</u> HK\$
Accounts receivable	2,500	3,348

The ageing analysis of accounts receivable that are not considered to be impaired is as follows:

	<u>2019</u> HK\$	<u>2018</u> HK\$
Neither past due nor impaired	2,500	-
Over 3 months past due	-	3,348
	<u>2,500</u>	<u>3,348</u>

Accounts receivable that were past due but not impaired relate to a number of independent customers that have a good track record with the Association. The Association does not hold any collateral or other credit enhancements over these balances.

11. CASH AND BANK BALANCES

Included in the balances is the following amount denominated in currency other than the functional currency of the Association to which they relate:

	<u>2019</u>	<u>2018</u>
Renminbi	RMB 704	RMB 324,385

12. AMOUNT DUE FROM/TO THE HONG KONG COUNCIL OF SOCIAL SERVICE

This account represents non-interest bearing advances which are unsecured and have no fixed terms of repayment.

13. RECEIPTS IN ADVANCE – DONATION FUNDS NOT YET UTILISED

Included in the balance is the following amount denominated in currency other than the functional currency of the Association to which they relate:

	<u>2019</u>	<u>2018</u>
Renminbi	RMB -	RMB 324,101

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NOTES ON THE FINANCIAL STATEMENTS

14. EXECUTIVE COMMITTEE MEMBERS' EMOLUMENTS

No members of the executive committee received any fees or other remuneration for serving as a member of the executive committee during the current and prior years.

15. RELATED PARTY TRANSACTIONS

The Association had the following material transactions with related parties during the year.

- a) The Association received service fee income from its ultimate holding company, The Hong Kong Council of Social Service, amounting to HK\$2,500,000 (2018: HK\$50,000).
- b) The Association received HK\$Nil (2018: HK\$293,730) donation income for the Hotmeal Canteen project through The Hong Kong Council of Social Service. The whole donation income was for designated purpose.
- c) The Association paid administration charge to its ultimate holding company, The Hong Kong Council of Social Service amounting to HK\$471,159 (2018: HK\$393,483).
- d) The Association paid programme expenses to its ultimate holding company, The Hong Kong Council of Social Service, amounting to HK\$Nil (2018: HK\$414,567).
- e) The Association paid donation expenses to its ultimate holding company, The Hong Kong Council of Social Service, amounting to HK\$150,000 (2018: HK\$Nil).
- f) Balances with The Hong Kong Council of Social Service are described in note (12) on the financial statements.
- g) The Association's key management personnel include only executive committee members. Details of executive committee members' remuneration are fully disclosed in note (14) on the financial statements.

16. ULTIMATE HOLDING COMPANY

The executive committee members consider the ultimate holding company of the Association is The Hong Kong Council of Social Service, a company incorporated in Hong Kong under The Hong Kong Council of Social Service Incorporation Ordinance.