

YIN WAN EDUCATION FUND LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

YIN WAN EDUCATION FUND LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

The directors have pleasure in presenting the report together with the audited financial statements for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the company providing non-profit social welfare services for the year ended 31 March 2019.

RESULTS

The results of the company for the year ended 31 March 2019 and the state of the company's affairs as at that date are set out in the accompanying financial statements.

DIRECTOR

Directors who held office during the year ended 31 March 2019 and up to the date of this report were:-

Yeung Ching Han
Lau Rebecca Ngok-Yan
Lau Ngok Hei Timothy
Hui Ming Fai Margaret
Leung Ka Man Carmen
Poon Pui Kwan

In accordance with the company's Articles of Association, all the directors retire and being eligible, offer themselves for re-election.

DIRECTORS' INTEREST CONTRACTS

Except for the note 9 to the financial statements, no other contracts of significance in relation to the company's business to which the company was a party and in which a director 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 acquisition of shares in or debentures of the company or any other body corporate.

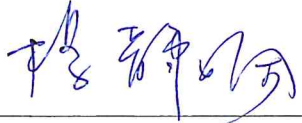
MANAGEMENT CONTRACTS

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

AUDITORS

The financial statements have been audited by Chan Lai Kam Certified Public Accountant (Practising), who retire and, being eligible offer themselves for re-appointment at the forthcoming Annual General Meeting.

By Order of the Committee

Y 

Chairman

Hong Kong, 18 September 2019

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF YIN WAN EDUCATION FUND LIMITED
(incorporated in Hong Kong with limited liability by guarantee)**

Opinion

We have audited the financial statements of Yin Wan Education Fund Limited (the "Company") set out on pages 6 to 13, which comprise the statement of financial position as at 31 March 2019, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SMEFRS") 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") and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard 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 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.

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

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS 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.

CHAN LAI KAM Certified Public Accountant

ROOM A(23), 3/F, CHEONG SUN TOWER, 116-118 WING LOK STREET, SHEUNG WAN, HONG KONG
Tel: 6018 9993 Fax: 6018 9993

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 the Hong Kong Companies Ordinance. 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 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 directors.

CHAN LAI KAM Certified Public Accountant

ROOM A(23), 3/F, CHEONG SUN TOWER, 116-118 WING LOK STREET, SHEUNG WAN, HONG KONG
Tel: 6018 9993 Fax: 6018 9993

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 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.



Chan Lai Kam
Certified Public Accountant (Practising)
Room A(23), 3/F, Cheong Sun Tower,
116-118 Wing Lok Street,
Sheung Wan, Hong Kong
18 September 2019

YIN WAN EDUCATION FUND LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	01.04.2018 TO 31.03.2019 HK\$	09.01.2017 TO 31.03.2018 HK\$
Revenue	3	33,296	207,725
Bank interest income		168	37
Other income		160	4,076
Operating expenses	4	<u>(39,403)</u>	<u>(46,170)</u>
(Loss)/Profit before taxation		(5,779)	165,668
Taxation	5	<u>-</u>	<u>-</u>
(Loss)/Profit for the year		<u><u>(5,779)</u></u>	<u><u>165,668</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

YIN WAN EDUCATION FUND LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	31.03.2019 HK\$	31.03.2018 HK\$
ASSETS			
Non-current assets			
Property, plant and equipment	6	<u>5,093</u>	<u>6,791</u>
Current assets			
Cash and cash equivalents	7	<u>185,839</u>	<u>383,736</u>
		<u>185,839</u>	<u>383,736</u>
Current liabilities			
Amount due to a director	8	26,243	200,000
Other payable and accruals		<u>4,800</u>	<u>24,859</u>
		<u>31,043</u>	<u>224,859</u>
Net current assets		<u>154,796</u>	<u>158,877</u>
Net assets		<u>159,889</u>	<u>165,668</u>
REPRESENTING:			
Retained surplus	9	<u>159,889</u>	<u>165,668</u>
Surplus		<u>159,889</u>	<u>165,668</u>

Approved by the Board of directors on 18 September 2019

Y 
Yeung Ching Han
Director

P 
Poon Pui Kwan
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

YIN WAN EDUCATION FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Yin Wan Education Fund Limited is incorporated under the Hong Kong Companies Ordinance as a company limited by guarantee without a share capital. Every member of the association undertakes to contribute to the assets of the association, in the event of its being wound up, such amount as may be required not exceeding one hundred dollars. The address of its registered office is No. 5, 17th Street, Hong Lok Yuen, Tai Po, N.T. Hong Kong. The financial statements have been approved for issue by the Board of Directors on 18 September 2019.

The principal activities of the Company are providing non-profit social welfare services.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:

(i) sale of goods is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer; and

(ii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable;

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Foreign exchange

The reporting currency of the company is Hong Kong Dollars, which is the currency of the primary economic environment in which the company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(d) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(e) Property, plant and equipment

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

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Leasehold improvement	Over the lease
Equipment	25%

(f) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. 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.

(g) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the company are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(h) Inventories

Inventories are stated at the lower of cost (using a first-in-first-out basis) and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

(i) Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

3. REVENUE

Revenues recognised by the company during the year are as follows:

	01.04.2018 TO 31.03.2019 HK\$	09.01.2017 TO 31.03.2018 HK\$
Donation income from members	15,896	183,544
Activities income	17,400	24,181
	<u>33,296</u>	<u>207,725</u>

4. OPERATING EXPENSES

	01.04.2018	09.01.2017
	TO	TO
	31.03.2019	31.03.2018
	HK\$	HK\$
Audit fee	4,800	8,000
Bank charges	260	120
Books expenses	794	10,466
Building management expenses	519	524
Business registration fee	-	250
Depreciation	1,698	1,698
Exchange loss	203	359
Electricity	429	-
Meeting expenses	-	13,520
Postage and communication	547	2,385
Printing and stationery	584	-
Professional fee	2,935	-
Repair and maintenance	-	445
Sundry expenses	17,651	2,241
Printing and stationery	-	2,910
Traveling	8,983	3,252
	<u>39,403</u>	<u>46,170</u>

5. TAXATION

No Hong Kong profits tax has been provided in the financial statements as in the opinion of the members, the association is not deemed to be chargeable to profits tax under section 24(1) of the Inland Revenue Ordinance

There was no material unprovided deferred income tax as at and for the year ended 31 March 2019.

6. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK\$	Total HK\$
At Cost		
Beginning balance	8,489	8,489
Addition	-	-
	<u>8,489</u>	<u>8,489</u>
Closing balance	8,489	8,489
Aggregate depreciation		
Beginning balance	1,698	1,698
Charge for the year	1,698	1,698
	<u>3,396</u>	<u>3,396</u>
Closing balance	3,396	3,396
Net book value		
Closing balance	<u>5,093</u>	<u>5,093</u>
Opening balance	<u>6,791</u>	<u>6,791</u>

7. CASH AND CASH EQUIVALENTS

	31.03.2019 HK\$	31.03.2018 HK\$
Cash at bank	<u>185,839</u>	<u>383,736</u>

8. AMOUNT DUE TO A DIRECTOR

The amount due to a director was in the form of current account, interest free, unsecured and repayable on demand.

9. RETAINED SURPLUS

	01.04.2018 TO 31.03.2019 HK\$	09.01.2017 TO 31.03.2018 HK\$
Opening balance	165,668	-
(Loss)/Profit for the year	<u>(5,779)</u>	<u>165,668</u>
Closing balance	<u>159,889</u>	<u>165,668</u>

10 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), which requires compliance with section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:-

	01.04.2018 TO 31.03.2019 HK\$	09.01.2017 TO 31.03.2018 HK\$
Fees	-	-
Other emoluments	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

11. RELATED PARTIES TRANSACTIONS

Related parties are those parties which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Balances with related parties

Except for the note 10 to the financial statement, there are no other significant balances with related parties.

(b) Key management personnel remuneration

Key management personnel remuneration was fully disclosed in note 10 to the financial statements.