Report of the Council and Audited Financial Statements

CHANGING YOUNG LIVES FOUNDATION

31 March 2021

CHANGING YOUNG LIVES FOUNDATION

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CHANGING YOUNG LIVES FOUNDATION

REPORT OF THE COUNCIL

The Council members present their report and the audited financial statements for the year ended 31 March 2021.

Incorporation details

Changing Young Lives Foundation (the "Foundation") was incorporated on 16 April 1996 under the Hong Kong Companies Ordinance as a private company limited by guarantee and therefore does not have any share capital. The details of the liability of its members are set out in note 1 to the financial statements.

Principal activities

The Foundation is a charitable organisation and its principal activities consist of the relief of distress and hardship, and the promotion of the welfare of children. The Foundation is exempted from Hong Kong tax under Section 88 of the Inland Revenue Ordinance. There were no significant changes in the nature of principal activities during the year.

Results

The Foundation's surplus for the year ended 31 March 2021 and its financial position at that date are set out in the financial statements on pages 6 to 23.

Council members

The Council members of the Foundation during the year and up to the date of this report were:

Sheilah Chatjaval - Chairman	
Ho Ma Yvette, Therese - Deputy Chairman	
James Conrad Louey - Secretary	
Sze Tsai Ping, Michael - Treasurer	
Dr. Chow, Steven	(Resigned on 15 April 2021)
Dr. Lee Wing Hong, Vincent	
Denise Man San Ho	
Arthur Tat-yung Leung	
Lee Chao Jane Sih Ho	(Resigned on 8 December 2020)
Ting Ho Wing Man, Angie	
Ho Lai Wai Thomas Leo	
Ling Ho Wan Howard	
Liang Michelle Alison Hing Man	
Lo Wai Kei	(Appointed on 16 June 2021)

In accordance with article 6(b) of the Foundation's articles of association, all Council members continue to hold office for the ensuing year.

Council members' interests

At no time during the year was the Foundation a party to any arrangement to enable the Foundation's Council members to acquire benefits by means of the acquisition of shares in or debentures of the Foundation or any other body corporate.

Council members' interests in transactions, arrangements or contracts

No Council member had a material interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Foundation to which the Foundation was a party during the year.

CHANGING YOUNG LIVES FOUNDATION

REPORT OF THE COUNCIL

Auditor
Ernst & Young retire and a resolution for their reappointment as auditor of the Foundation will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE COUNCIL

.....
Mrs. Sheilah Chatjaval
Chairman

Hong Kong
9 December 2021

Ernst & Young
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Quarry Bay, Hong Kong

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Honorary auditor's report
To the members of Changing Young Lives Foundation
(Incorporated in Hong Kong and limited by guarantee)

Opinion
We have audited the financial statements of Changing Young Lives Foundation (the "Foundation") set out on pages 6 to 23, which comprise the statement of financial position as at 31 March 2021, and the statement of income and expenditure and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion
We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation 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.

Information other than the financial statements and auditor's report thereon
The Council members are responsible for the other information. The other information comprises the information included in the report of the Council.

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.

Responsibilities of the Council members for the financial statements
The Council 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 Council 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 Council members are responsible for assessing the Foundation'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 Council members either intend to liquidate the Foundation or to cease operations or have no realistic alternative but to do so.

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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. Our 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 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 judgement 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of the Council 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 Foundation'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 Foundation 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.

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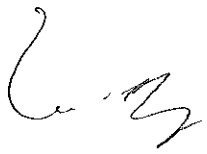
Honorary auditor's report (continued)
To the members of Changing Young Lives Foundation
(Incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)
We communicate with the Council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Certified Public Accountants
Hong Kong
9 December 2021

A member firm of Ernst & Young Global Limited

CHANGING YOUNG LIVES FOUNDATION

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2021

	Note	2021 HK$	2020 HK$
INCOME			
Fundraising income			
Charity gala		-	4,460,200
Project sponsorships	4	2,940,764	4,770,979
Other fundraising events		5,796,177	2,746,315
Total fundraising income		8,736,941	11,977,494
Other income			
Bank interest income		73,580	144,990
Bond interest income		292,874	289,774
Miscellaneous income		516,948	47,920
Total other income		883,402	482,684
TOTAL INCOME		9,620,343	12,460,178
EXPENDITURE			
Expenditure on service projects			
Hong Kong projects:			
Brain Box		368,674	1,525,021
Empower		909,383	1,661,571
Expressive arts program		530,996	547,216
Community Chest Slam Dunk Challenge		1,029,169	1,024,062
YES Program		189,340	485,410
Community Grand-kids		221,155	-
Other Programs		949,462	1,184,193
		4,198,179	6,427,473
Mainland China projects		96,614	523,439
Total expenditure on service projects		4,294,793	6,950,912
Centre operation expenses			
Rates		27,400	37,900
Depreciation		348,386	351,563
Utilities		51,818	99,398
Repairs and maintenance		63,770	50,220
Staff costs		327,669	669,189
Other centre operation expenses		94,947	145,111
Total centre operation expenses		913,990	1,353,381

continued/...

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
(continued)

Year ended 31 March 2021

	Note	2021 HK$	2020 HK$
Administrative expenses			
Staff costs		816,902	1,194,718
Other administrative expenses		38,660	193,002
Total administrative expenses		855,562	1,387,720
Fundraising expenses			
Direct expenses for fundraising events		260,029	1,058,824
Staff costs		898,405	946,781
Total fundraising expenses		1,158,434	2,005,605
TOTAL EXPENDITURE		7,222,779	11,697,618
SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5	2,397,564	762,560

CHANGING YOUNG LIVES FOUNDATION

STATEMENT OF FINANCIAL POSITION

31 March 2021

	Notes	2021 HK$	2020 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	7	425,648	141,508
Right-of-use assets	8	330,781	661,562
Debt investments at amortised cost	9	7,985,010	7,985,010
Total non-current assets		8,741,439	8,788,080
CURRENT ASSETS			
Debt investments at amortised cost	9	-	1,566,619
Deposits and other receivables		115,034	128,662
Cash and cash equivalents		33,690,933	27,079,401
Total current assets		33,805,967	28,774,682
CURRENT LIABILITIES			
Deferred income	10	13,080,847	7,329,290
Lease liabilities	8	347,416	330,507
Other payables		430,994	414,964
Total current liabilities		13,859,257	8,074,761
NET CURRENT ASSETS		19,946,710	20,699,921
NON CURRENT LIABILITIES			
Deferred income	10	-	2,850,000
Lease liabilities	8	-	347,416
		-	3,197,416
Net assets		28,688,149	26,290,585
REPRESENTED BY:			
General reserve		26,593,149	23,914,335
Relocation reserve		2,095,000	2,376,250
Total equity		28,688,149	26,290,585

Mrs. Sheilah Chatjaval
Council member

Mr. Sze Tsai Ping, Michael
Council member

CHANGING YOUNG LIVES FOUNDATION

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021

	General reserve HK$	Relocation reserve* HK$	Total equity HK$
At 1 April 2019	23,028,025	2,500,000	25,528,025
Surplus for the year and total comprehensive income for the year	762,560	-	762,560
Transfer to general reserve	123,750	(123,750)	-
At 31 March 2020 and 1 April 2020	23,914,335	2,376,250	26,290,585
Surplus for the year and total comprehensive income for the year	2,397,564	-	2,397,564
Transfer to general reserve	281,250	(281,250)	-
At 31 March 2021	26,593,149	2,095,000	28,688,149

* Relocation reserve is restricted for use in new centre renovation.

CHANGING YOUNG LIVES FOUNDATION

STATEMENT OF CASH FLOWS

Year ended 31 March 2021

	Notes	2021 HK$	2020 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		2,397,564	762,560
Adjustments for:			
Depreciation on property, plant and equipment	5	17,605	20,782
Depreciation on right-of-use assets	5	330,781	330,781
Interest income	5	(366,454)	(434,764)
Interest on lease liabilities	8	24,909	40,996
		2,404,405	720,355
Decrease in deposits and other receivables		135,718	399,282
Increase in deferred income		2,901,557	4,932,106
(Decrease)/increase in other payables		16,030	(934,073)
Interest element on lease liabilities		(24,909)	(40,996)
Net cash flows from operating activities		5,432,801	5,076,674
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		244,364	293,597
Purchases of items of property, plant and equipment for new centre	7	(301,745)	(123,750)
Purchase of debt investments at amortised cost		-	(4,894,448)
Proceeds from the disposal of debt investments at amortised cost		1,566,619	6,653,514
Net cash flows from investing activities		1,509,238	1,928,913
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments		(330,507)	(314,420)
Net cash flows used in financing activities		(330,507)	(314,420)
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,611,532	6,691,167
Cash and cash equivalents at beginning of year		27,079,401	20,388,234
CASH AND CASH EQUIVALENTS AT END OF YEAR		33,690,933	27,079,401
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		33,690,933	27,079,401

1. CORPORATE INFORMATION

Incorporation details
Changing Young Lives Foundation (the "Foundation") was incorporated on 16 April 1996 as a private company limited by guarantee under the Hong Kong Companies Ordinance. The registered office of the Foundation is located at Units 1-14, G/F, Block 10, Pak Tin Estate, Kowloon.

Members' liability
The Foundation is not authorised to issue share capital. The liability of its members is limited to HK$10 per member in the event of the Foundation being wound up while he/she is a member, or within one year after he/she ceases to be a member.

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

2.2 BASIS OF PREPARATION

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

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Foundation has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time in the current year's financial statements, which are applicable to the Foundation.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendments to HKAS 1, and HKAS 8	*Definition of Material*

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

Conceptual Framework for Financial Reporting 2018 (the "Conceptual Framework")
The Conceptual Framework sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Foundation.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform
Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Foundation as the Foundation does not have any interest rate hedge relationships.

Amendments to HKAS 1 and HKAS 8 Definition of Material
Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the financial position and performance of the Foundation.

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Foundation has not early applied any of the new and revised HKFRSs, that have been issued but are not yet effective for the accounting year ended 31 March 2021, in the financial statements. The Foundation is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Foundation considers that these new and revised HKFRSs are unlikely to have a significant impact on the Foundation's results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of non-financial assets
The Foundation assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the Foundation makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

An impairment loss is recognised in the statement of income and expenditure whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to the statement of income and expenditure in the year in which it arises.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of income and expenditure in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Foundation recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease terms
Furniture and fixtures	50%
Computer and equipment	25% to 33%

The gain or loss on disposal of items of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in the statement of income and expenditure.

The assets' residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

Leases

The Foundation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Foundation as a lessee

The Foundation applies a single recognition and measurement approach for all leases. The Foundation recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office	Over the lease terms

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)
Foundation as a lessee (continued)

(b) Lease liabilities
Lease liabilities are initially measured at the present value of lease payments to be made under the lease terms and subsequently adjusted by the effect of the interest on and the settlement of the lease liabilities, and the re-measurement arising from any reassessment of the lease liabilities or lease modifications.

Financial assets
The Foundation's financial assets include debt investments measured at amortised cost, deposits and other receivables, and cash and cash equivalents.

All the other financial assets are initially recognised at fair value plus transaction costs that are attributable to the acquisition of the financial assets. Regular way purchases and sales of financial assets are recognised on the trade date, that is, the date when the Foundation commits to purchase or sell the assets.

(a) Classification and measurement
Debt instruments are measured at amortised cost using the effective interest rate method, subject to impairment if the assets are held for the collection of contractual cash flows where those contractual cash flows represent solely payments of principal and interest.

(b) Impairment
The Foundation applies the expected credit loss model on all the financial assets that are subject to impairment.

Impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Foundation is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Foundation considers a financial asset to be default when internal or external information indicates the Foundation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Foundation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(c) Derecognition
Financial assets are derecognised when the rights to receive cash flows from the assets have expired; or where the Foundation has transferred its contractual rights to receive the cash flows of the financial assets and has transferred substantially all the risks and rewards of ownership; or where control is not retained.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

The Foundation's financial liabilities include other payables. They are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when they are extinguished, i.e., when the obligation is discharged or cancelled, or expires.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturity of three months or less when acquired, less bank overdrafts.

Revenue recognition

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

(a) General donations, when the Foundation becomes entitled to the donations and it is probable that they will be received, which is generally upon receipt of cash;

(b) Designated project sponsorship for specific purposes, by initially recognising as deferred income and then recognised in the statement of income and expenditure over the period to match against the related costs which they are intended to compensate; and

(c) Interest income, using the effective interest rate method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Employee benefits

Pension scheme and costs

The Foundation operates a mandatory provident fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Foundation in an independently administered fund. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of income and expenditure as and when the contributions fall due.

4. PROJECT SPONSORSHIPS

	2021 HK$	2020 HK$
Community Chest Slam Dunk Challenge	949,341	847,304
YES Program	189,340	485,649
Other Programs	1,802,083	3,438,026
	2,940,764	4,770,979

5. SURPLUS FOR THE YEAR

The Foundation's surplus for the year is arrived at after charging/(crediting):

	Notes	2021 HK$	2020 HK$
Staff costs:			
Salaries		4,918,197	6,391,911
Pension scheme contributions		193,548	244,832
Total staff costs		5,111,745	6,636,743
Depreciation on property, plant and equipment	7	17,605	20,782
Depreciation on right-of-use assets	8	330,781	330,781
Interest income		(366,454)	(434,764)
Foreign exchange differences, net		(15,790)	110,757
Government grant (note)		(462,000)	-

No Council member received any fees or emoluments in respect of their services rendered to the Foundation during the year (2020: Nil).

The honorary auditor received no remuneration during the year (2020: Nil).

Note: Government grant recognised was related to anti-epidemic fund. There was no unfulfilled conditions and other contingencies attached to the receipts of this grant.

6. TAX

The Foundation has been exempted from Hong Kong tax under Section 88 of the Inland Revenue Ordinance as a charitable institution of a public character.

7. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$	Furniture and fixtures HK$	Computer and equipment HK$	Total HK$
31 March 2021				
At 1 April 2020:				
Cost	4,013,264	161,101	942,650	5,117,015
Accumulated depreciation	(3,889,514)	(161,101)	(924,892)	(4,975,507)
Net carrying amount	123,750	-	17,758	141,508
At 1 April 2020, net of accumulated depreciation	123,750	-	17,758	141,508
Additions	281,250	-	20,495	301,745
Depreciation provided during the year	-	-	(17,605)	(17,605)
At 31 March 2021, net of accumulated depreciation	405,000	-	20,648	425,648
At 31 March 2021:				
Cost	4,294,514	161,101	963,145	5,418,760
Accumulated depreciation	(3,889,514)	(161,101)	(942,497)	(4,993,112)
Net carrying amount	405,000	-	20,648	425,648
31 March 2020				
At 1 April 2019:				
Cost	3,889,514	161,101	942,650	4,993,265
Accumulated depreciation	(3,889,514)	(161,101)	(904,110)	(4,954,725)
Net carrying amount	-	-	38,540	38,540
At 1 April 2019, net of accumulated depreciation	-	-	38,540	38,540
Additions	123,750	-	-	123,750
Depreciation provided during the year	-	-	(20,782)	(20,782)
At 31 March 2020, net of accumulated depreciation	123,750	-	17,758	141,508
At 31 March 2020:				
Cost	4,013,264	161,101	942,650	5,117,015
Accumulated depreciation	(3,889,514)	(161,101)	(924,892)	(4,975,507)
Net carrying amount	123,750	-	17,758	141,508

8. LEASE ARRANGEMENTS

The Foundation leases a property in Hong Kong as office, which has lease term of three years.

Right-of-use assets
The carrying amount of the Foundation's right-of-use asset for an office and the movement during the year ended 31 March 2021 are as follows:

	Office HK$
At 1 April 2019	992,343
Depreciation provided during the year (note 5)	(330,781)
At 31 March 2020 and 1 April 2020	661,562
Depreciation provided during the year (note 5)	(330,781)
At 31 March 2021	330,781

Lease liabilities
The carrying amount of the Foundation's lease liabilities and the movement during the year ended 31 March 2021 are as follows:

	2021 HK$	2020 HK$
Carrying amount at beginning of year	677,923	992,343
Accretion of interest recognised during the year	24,909	40,996
Payments	(355,416)	(355,416)
Carrying amount at end of year	347,416	677,923
Portion classified as current liabilities	(347,416)	(330,507)
Non-current portion	-	347,416

8. LEASE ARRANGEMENTS (continued)

Other lease information

The amounts recognised in the statement of income and expenditure and other comprehensive income in relation to leases are as follows:

	2021 HK$	2020 HK$
Interest expenses on lease liabilities (note)	24,909	40,996
Depreciation of right-of-use assets	330,781	330,781
Total amount recognised in statement of income and expenditure and other comprehensive income	355,690	371,777

Note: Included in "Other centre operation expenses" on the face of the statement of income and expenditure and other comprehensive income.

9. DEBT INVESTMENTS MEASURED AT AMORTISED COST

	2021 HK$	2020 HK$
Unlisted debt investments measured at amortised cost	7,985,010	9,551,629
Less: Non-current portion	(7,985,010)	(7,985,010)
Current portion	-	1,566,619

The debt investments measured at amortised cost have maturities of 13 months to 3 years and carry effective interest rates of 2.468% to 3.501% (2020: 2.468% to 3.501%) per annum.

Impairment assessment of debt investments measured at amortised cost

As at 31 March 2021, none of the debt investments were overdue (2020: Nil) and all the debt investments were categorised within Stage 1 for the measurement of expected credit losses. An impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to risk of default of the issuers or comparable companies. As at 31 March 2021, the probability of default applied ranged from 0.26% to 1.29% (2020: 0.24% to 1.27%) and the loss given default was estimated to be approximately 52% (2020: 52%). The loss allowance for the impairment of debt investments measured at amortised cost is not significant to the Foundation.

10. DEFERRED INCOME

	2021 HK$	2020 HK$
Community Chest Slam Dunk Challenge	1,047,380	781,990
YES Program	958,265	-
New Centre Renovation	6,800,000	5,700,000
Other Programs	4,275,202	3,697,300
	13,080,847	10,179,290
Less: Non-current portion	-	(2,850,000)
Current portion	13,080,847	7,329,290

11. COMMITMENTS

The Foundation does not have any significant commitments at the end of the reporting period.

12. NOTE TO THE STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	Lease liabilities HK$
At 1 April 2019	992,343
Changes from financing cash flows	(314,420)
At 31 March 2020 and 1 April 2020	677,923
Changes from financing cash flows	(330,507)
At 31 March 2021	347,416

13. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

2021

	Financial assets at amortised cost HK$
Debt investments measured at amortised cost	7,985,010
Financial assets included in deposits and other receivables	115,034
Cash and cash equivalents	33,690,933
	41,790,977

2020

	Financial assets at amortised cost HK$
Debt investments measured at amortised cost	9,551,629
Financial assets included in deposits and other receivables	128,662
Cash and cash equivalents	27,079,401
	36,759,692

All financial liabilities of the Foundation as at 31 March 2021 and 2020 are financial liabilities at amortised cost.

14. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Foundation's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2021	2020	2021	2020
	HK$	HK$	HK$	HK$
Financial assets				
Debt investments measured at amortised cost	7,985,010	9,551,629	8,075,024	9,560,270

Management has assessed that the fair values of cash and cash balances, financial assets included in deposits and other receivables, financial liabilities included in other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Foundation's financial instruments:

Financial assets for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK$	HK$	HK$	HK$
As at 31 March 2021:				
Debt investments measured at amortised cost	8,075,024	-	-	8,075,024
As at 31 March 2020:				
Debt investments measured at amortised cost	9,560,270	-	-	9,560,270

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation's principal financial instruments comprise cash and bank balances and debt investments measured at amortised cost. The Foundation has no significant exposure to market risk in the normal course of its business.

Maximum exposure and year-end staging
The carrying amounts of financial assets included in deposits and other receivables and cash and cash equivalents represent the Foundation's maximum exposure to credit risk in relation to financial assets. All the Foundation's cash and cash equivalents are held in major financial institutions which management believes are of high credit quality. For the years ended 31 March 2021 and 2020, the credit risks for these financial assets have not increased significantly since initial recognition and for which the loss allowances are measured at an amount equal to 12-month expected credit losses. The Council members consider that the Foundation does not have a significant concentration of credit risk.

16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Council on 9 December 2021.