

Report and Financial Statements

Ying Wa Education Foundation Limited

For the year ended 31 December 2019



瑞蘭會計師事務所有限公司
RLT CPA LIMITED

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Expressed in Hong Kong dollar ("HKD")

Executive Committee's report for the year ended 31 December 2019

The executive committee's submit herewith their annual report together with the audited financial statements of Ying Wa Education Foundation Limited (the "Foundation") for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Foundation is a limited liability company incorporated and domiciled in Hong Kong a limited liability entity by guarantee and not having any share capital. The Foundation is engaged in promoting and upgrading academic and educational studies of students of Ying Wa College and Ying Wa Primary School. There was no change in the nature of activity during the year.

RESULTS AND APPROPRIATIONS

The results of the Foundation for the year ended 31 December 2019 and the state of the Foundation's affairs as at that date are set out in the financial statements on pages 6 to 13.

RESERVES

Movements in the reserves of the Foundation for the year are set out in the statement of changes in equity on page 8.

BUSINESS REVIEW

The Foundation falls within the reporting exemption for the year. Accordingly, the Foundation is exempted from preparing a business review.

EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members who hold office during the year and up to the date of this report are:

Elected Committee members

Chan Ting Kwong
Kwan Kai Cheong
Lau Tin Shing
Lo Kwing Yu
Tsang Chiu Kwan (Chairman)

Ex-officio members

Chan Ying Shing
Chan May Kuen Sylvia (Appointed on 11 September 2019)
Cheng Kwun Kit Allan
Lau Wai Chun Cecillia (Appointed on 11 September 2019)
Lam Woon Sum (Resigned on 11 September 2019)
Lee Choi Hung (Resigned on 16 December 2019)
Liu Qing Xian (Appointed on 16 December 2019)
Ng Chi Kwong
Wong Ka Fai
Yang Siu Tak (Resigned on 11 September 2019)

Executive Committee's report (continued) for the year ended 31 December 2019

EXECUTIVE COMMITTEE MEMBERS (CONTINUED)

Mr. Lam Woon Sum, Mr. Yang Siu Tak and Ms. Lee Choi Hung resigned on 11 September 2019 and 16 December 2019 respectively as an executive committee of the Foundation. They had confirmed that they had no disagreement with the Committee and nothing relating to the affairs of the Foundation needed to be brought to the attention of the committee member of the Foundation.

EXECUTIVE COMMITTEE MEMBERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

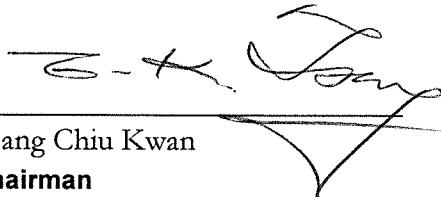
No contracts of significance to which the Foundation was a party and in which a member of the Executive Committee had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Foundation a party to any arrangements to enable the members of the Committee to acquire benefits by means of the acquisition of shares in, or debenture of, the Foundation or any other body corporate.

AUDITOR

Messrs. Ho, Sneddon, Chow, Certified Public Accountants Limited resigned as auditors of the Foundation and RLT CPA Limited, Certified Public Accountants was appointed in their place. A resolution for the re-appointment of RLT CPA Limited, Certified Public Accountants as the Foundation's auditor is to be proposed at the forthcoming annual general meeting.

On behalf of the board



Tsang Chiu Kwan

Chairman

Hong Kong

- 2 SEP 2020



Independent auditor's report

**To the members of Ying Wa Education Foundation Limited
(incorporated in Hong Kong with limited liability by guarantee and not having any
share capital)**

Opinion

We have audited the financial statements of Ying Wa Education Foundation Limited (the "Foundation") set out on pages 6 to 13, which comprise statement of financial position of the Foundation as at 31 December 2019, statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies..

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2019 and of its financial performance 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 (Cap. 622).

Basis for Opinion

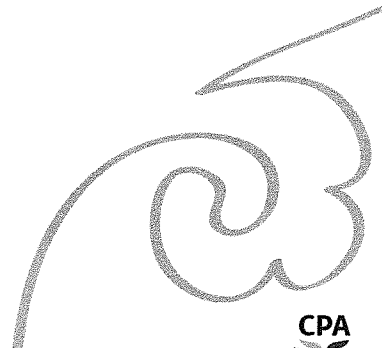
We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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 our auditor's report thereon

The Executive Committee is responsible for the other information. The other information comprises all information included in the Executive Committee's report and financial statements, 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.





Independent auditor's report (continued)

**To the members of Ying Wa Education Foundation Limited
(incorporated in Hong Kong with limited liability by guarantee and not having any
share capital)**

Responsibilities of the Executive Committee

The Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee's 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 is 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 Executive Committee either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

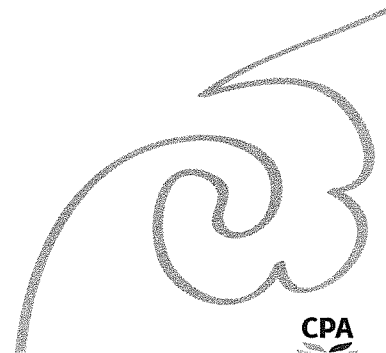
The Executive Committee is responsible for overseeing the Association's financial reporting process.

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. 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.





Independent auditor's report (continued)

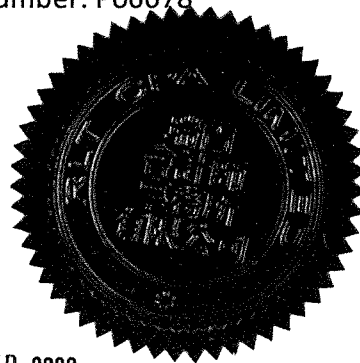
**To the members of Ying Wa Education Foundation Limited
(incorporated in Hong Kong with limited liability by guarantee and not having any
share capital)**

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.
- 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.
- Conclude on the appropriateness of the Executive Committee's 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.

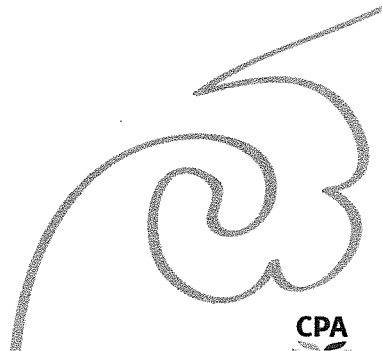
We communicate with the Executive Committee of the Foundation, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RLT CPA LIMITED
Certified Public Accountants
To Hiu Cheung
Practising Certificate Number: P06678



Hong Kong:

- 2 SEP 2020





Ying Wa Education Foundation Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Notes	2019 HKD	2018 HKD
Revenue		-	-
- Bank interest income	6	95,632	1,757
- Donation received	6	2,289,020	3,157,286
		2,384,652	3,159,043
Expenditure			
- Bank charge		7,577	8,262
Programme expenses			
- Bicentennial celebration activities		-	4,077,300
- Walkathon		211,774	22,785
Sponsorship to			
- Ying Wa College		19,099	615,750
- Ying Wa Primary School		229,083	157,000
- Old boys		96,100	32,500
		563,633	4,913,597
Surplus / (Deficit) for the year		1,821,019	(1,754,554)

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




Ying Wa Education Foundation Limited

Statement of Financial Position


As at 31 December 2019

	Notes	2019 HKD	2018 HKD
ASSETS			
Current assets			
Deposit and prepayments		283,500	-
Bank balances	9	6,561,372	5,287,069
		6,844,872	5,287,069
Current liabilities			
Accruals and other payables		-	468,612
		-	468,612
NET ASSETS		6,844,872	4,818,457
FUND AND RESERVES			
Accumulated fund			
- General fund		6,159,476	4,338,457
- Trust fund	10	685,396	480,000
TOTAL FUND		6,844,872	4,818,457

The financial statements on pages 6 to 13 were approved and authorised for issue by the Executive Committee on **- 2 SEP 2020** and is signed on its behalf by:



Tsang Chiu Kwan
Chairman



Ng Chi Kwong
Hon Treasurer

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



Ying Wa Education Foundation Limited

Statement of Changes in Equity

For the year ended 31 December 2019

	General fund HKD	Trust fund HKD	Total HKD
At 1 January 2018	6,093,011	480,000	6,573,011
Deficit for the year	(1,754,554)		(1,754,554)
At 31 December 2018 and 1 January 2019	4,338,457	480,000	4,818,457
Donation	-	205,396	205,396
Surplus for the year	1,821,019	-	1,821,019
At 31 December 2019	6,159,476	685,396	6,844,872

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

Ying Wa Education Foundation Limited

Statement of Cash Flows

For the year ended 31 December 2019

	Notes	2019 HKD	2018 HKD
Cashflow from operating activities			
Surplus / (Deficit) for the year		1,821,019	(1,754,554)
Adjustments for: -			
Bank interest income		(95,632)	(1,757)
Operating profit / (loss) before changes in working capital		1,725,387	(1,756,311)
(Increase) / Decrease in deposits and prepayments		(283,500)	649,400
(Decrease) / Increase in accruals and other payables		(468,612)	457,182
Net cash generated from / (used by) operations activities		973,275	(649,729)
Cashflow from investing activities			
Bank interest income		95,632	1,757
Net cash generated from investing activities		95,632	1,757
Cashflow from financing activities			
Increase in accumulated fund excluding surplus in general fund for the year		205,396	-
Net cash generated from financing activities		205,396	-
Net increase / (decrease) in cash and cash equivalents		1,274,303	(647,972)
Cash and cash equivalents at 31 December 2018/ 2017		5,287,069	5,935,041
Cash and cash equivalents at 31 December 2019/ 2018		6,561,372	5,287,069
Cash and cash equivalents comprise of			
Cash and bank balances	9	6,561,372	5,287,069

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

Ying Wa Education Foundation Limited

Accounting policies and explanatory notes to the financial statements
For the year ended 31 December 2019

1. REPORTING ENTITY

Ying Wa Education Foundation Limited (the "Foundation") is incorporated in Hong Kong as a limited liability entity by guarantee and not having any share capital. The Foundation's registered office is located at 1 Ying Wa Street, Shamshuipo, Kowloon, Hong Kong. The principal activities of the Foundation were engaged in promoting and upgrading academic and educational studies of students of Ying Wa College and Ying Wa Primary School.

2. STATEMENT OF COMPLIANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS

The Foundation's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which includes all applicable individual 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 requirements of the Hong Kong Companies Ordinance. A summary of significant accounting policies adopted by the Foundation is set out in note 3.

In 2019, the Foundation has initially applied the new and revised HKFRSs issued by the HKICPA that are first effective for accounting periods beginning on or after 1 January 2019. A summary of the changes in accounting policies resulting from the Foundation's application of these HKFRSs is set out in note 4.

A summary of the significant accounting policies adopted by the Foundation is set out below.

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

There are no new standards or amendments to HKFRSs issued by HKICPA that are first effective for the current accounting period of the Foundation.

4. NEW AND REVISED HKFRSs ISSUED BUT NOT YET EFFECTIVE

HKFRSs that have been issued but not yet effective for the year included the following HKFRSs which may be relevant to the Foundation's operations and financial statements:

	Effective for annual periods beginning on or after
Amendments to HKAS 1 and 8, <i>Amendments to definition of material</i>	1 January 2020
Amendments to HKAS 39, HKFRS 7 and HKFRS 9, <i>Amendments for Interest Rate Benchmark Reform</i>	1 January 2020

Ying Wa Education Foundation Limited

Accounting policies and explanatory notes to the financial statements
For the year ended 31 December 2019

4. NEW AND REVISED HKFRSs ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

The Foundation has not early adopted these HKFRSs. The Foundation is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the Foundation's financial statements in the year of initial application.

The Executive Committee of the Foundation anticipates that the application of these new and revised HKFRSs and amendments will have no material financial impact on the financial statements of the Foundation.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Foundation and when the revenue and cost, if applicable, can be measured reliably and on the following bases.

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Foundation and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss as follows: -

i) **Donation**

Donation income is recognised upon receipt.

ii) **Bank interest income**

Bank interest income is recognized as it accrues using the effective interest method.

Other receivables

Other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Foundation's cash management are also included as a component of cash and cash equivalents.

Ying Wa Education Foundation Limited

Accounting policies and explanatory notes to the financial statements
For the year ended 31 December 2019

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

In the opinion of the Executive Committee, the Foundation is exempt from Hong Kong Profits Tax under the provision of Section 88 of the Inland Revenue Ordinance.

6. INCOME

	2019 HKD	2018 HKD
Bank interest income	95,632	1,757
Donation received	2,289,020	3,157,286
	2,384,652	3,159,043

7. REMUNERATION TO MEMBERS OF THE EXECUTIVE COMMITTEE

Members of the Executive Committee received no fees and other emoluments for their services rendered during the year (2018 : Nil).

8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax is required since the Foundation was exempted from taxation under Section 88 of the Hong Kong Inland Revenue Ordinance (2018 : Nil).

9. CASH AND CASH EQUIVALENTS

	2019 HKD	2018 HKD
Bank Balances	6,561,372	5,287,069
Cash and cash equivalents in the statement of cash flows	6,561,372	5,287,069

10. TRUST FUND

	2019 HKD	2018 HKD
Heritage fund	25,896	-
Scholarship fund	630,000	480,000
YM Chung Memorial Fund	29,500	-
Trust fund	685,396	480,000

Trust fund represents donation received for specific purposes. Transfers to General fund were ultimately disbursed in accordance with the provisions and restrictions imposed by the respective donors. Income and expenditure are directly dealt with in the respective fund accounts.

Ying Wa Education Foundation Limited

Accounting policies and explanatory notes to the financial statements
For the year ended 31 December 2019

11. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Foundation's activities expose it to a variety of financial risks credit risk, liquidity risk and interest-rate risk. The Foundation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Foundation's financial performance.

(i) **Credit risk**

At the end of the reporting period, the Foundation did not had significant credit risk.

(ii) **Liquidity risk**

At the end of the reporting period, the Foundation did not had significant liquidity risk.

(iii) **Interest rate risk**

The Foundation's income and operating cash flows are not subject to significant interest rate risk.

(iv) **Currency risk**

The Foundation has no exposure to currency risk as all the Foundation's transactions are denominated in Hong Kong dollars.

(v) **Fair values**

The carrying amounts of the Foundation's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2019 and 2018.

12. COMPARATIVE FIGURES

The comparative figures were taken from the accounts which were not audited by RLT CPA Limited, Certified Public Accountants, some of the figures had been re-classified.

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Foundation's Executive Committee on - 2 SEP 2020