

LA SALLE FOUNDATION LIMITED

喇沙基金有限公司

(incorporated in Hong Kong and limited by guarantee without a share capital)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



華德會計師事務所

CW CPA Certified Public Accountants

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DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of La Salle Foundation Limited (hereinafter referred to as "the Foundation") are to promote and advance in all aspects education of all levels, the quality in education and all matters of or concerning education in Hong Kong and in particular the provision and maintenance of educational facilities at La Salle College and La Salle Primary School.

BUSINESS REVIEW

The Foundation falls within the reporting exemption for the year and is exempted from preparation of a business review in this report.

RESULTS

The results of the Foundation for the year ended 31 March 2021 are set out on page 3 of the financial statements.

DONATIONS

During the year, the Foundation made other donations amounted to HK\$4,130,956 (2020: HK\$3,890,454).

RESERVES

Movements in the reserves of the Foundation during the year are set out on page 5 of the financial statements.

DIRECTORS

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

Pau Shiu Hung Artistide	(Chairman)
Ma Wan Hin	(Honorary secretary)
Yuen Kwok Kin Andrew	(Honorary treasurer)
So Chi Tak	(Committee member)
Tierney James Christopher	(Committee member)
Chan Kit Ying Charles	(Committee member)
Lee Shiu Fung Roger	(Committee member)
Tong Wun Sing	(Committee member)
Chandni Nair	(Committee member)
Bo Ho Man Herman	(Committee member)
Chan Kwong Fat	(Committee member)
Huang Lester Garson	(Committee member, resigned on 19 November 2020)
Cheung King Fung Sunny	(Committee member)
Lau Kam Tak Kent Samuel	(Committee member, appointed on 19 November 2020)

In accordance with Articles 32 and 33 of the Foundation's Articles of Foundation, all directors with the exception of the ex-officio directors retire at the forthcoming annual general meeting but may offer themselves for re-election.

DIRECTORS' REPORT (continued)

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE FOUNDATION'S BUSINESS

Except for those as disclosed in note 10 to the financial statements, no other transactions, arrangements or contracts of significance in relation to the Foundation's business to which the Foundation was a party and in which a director of the Foundation 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 business of the Foundation were entered into or existed during the year.

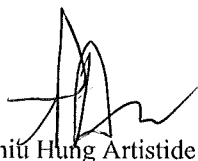
PERMITTED INDEMNITY PROVISIONS

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

HONORARY AUDITOR

The financial statements have been audited by CW CPA, Certified Public Accountants, who retire and, being eligible, offer themselves for reappointment.

On behalf of the board



Pau Shiu Hung Artistide
Chairman

HONG KONG, 6 OCT 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2021**

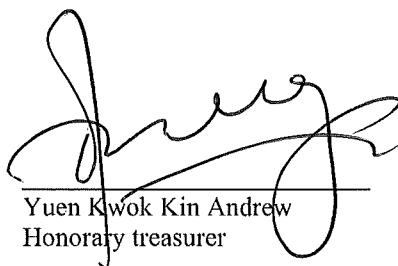
	2021	2020
	HK\$	HK\$
Income		
Donations received	1,648,000	1,017,770
Interest income from debt securities	-	121,725
Interest income on bank deposits	<u>66,739</u>	<u>248,234</u>
	<u>1,714,739</u>	<u>1,387,729</u>
Expenditure		
Bank charges	2,060	3,286
Contract services charge	5,950	4,350
Donations paid	9 4,130,956	3,890,454
Loss on foreign exchange	<u>-</u>	<u>579</u>
	<u>4,138,966</u>	<u>3,898,669</u>
Deficit for the year	(2,424,227)	(2,510,940)
Other comprehensive surplus for the year	<u>-</u>	<u>-</u>
Total comprehensive deficit for the year	<u>(2,424,227)</u>	<u>(2,510,940)</u>

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	2021 HK\$	2020 HK\$
ASSETS			
Current assets			
Interest receivable		-	93,355
Bank balances	7	<u>40,060,875</u>	<u>42,396,097</u>
TOTAL ASSETS		<u>40,060,875</u>	<u>42,489,452</u>
FUNDS AND LIABILITIES			
General funds			
Accumulated surplus		40,060,872	42,485,099
Current liabilities			
Other payables	8	<u>3</u>	<u>4,353</u>
TOTAL FUNDS AND LIABILITIES		<u>40,060,875</u>	<u>42,489,452</u>



Pau Shiu Hung Artisticide
Chairman



Yuen Kwok Kin Andrew
Honorary treasurer

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED 31 MARCH 2021**

	Accumulated surplus HK\$
At 1 April 2019	44,996,039
Total comprehensive deficit for the year	<u>(2,510,940)</u>
At 31 March 2020	<u>42,485,099</u>
At 1 April 2020	42,485,099
Total comprehensive deficit for the year	<u>(2,424,227)</u>
At 31 March 2021	<u>40,060,872</u>

**STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	HK\$	HK\$
Cash flows from operating activities		
Deficit for the year	(2,424,227)	(2,510,940)
Adjustments for :		
Bond interest income	-	(121,725)
Interest income	<u>(66,739)</u>	<u>(248,234)</u>
Operating deficit before working capital changes	(2,490,966)	(2,880,899)
Changes in working capital		
- Other payables	<u>(4,350)</u>	<u>4,350</u>
Net cash used in operating activities	(2,495,316)	(2,876,549)
Cash flow from investing activities		
Interest received	160,094	588,722
Redemption of Financial assets at amortised cost	-	2,715,756
Decrease in bank deposit with maturity over 3 months	20,000,000	10,000,000
Net cash generated from investing activities	20,160,094	13,304,478
Net increase in cash and cash equivalents	17,664,778	10,427,929
Cash and cash equivalents at the beginning of the year	22,396,097	11,968,168
Cash and cash equivalents at the end of the year	<u>40,060,875</u>	<u>22,396,097</u>
Analysis of the balances of cash and cash equivalents		
Cash at bank	<u>40,060,875</u>	<u>22,396,097</u>

NOTES TO THE FINANCIAL STATEMENTS

1 LEGAL STATUS

La Salle Foundation Limited (“the Foundation”) was incorporated under the Companies Ordinance and is limited by guarantee without a share capital. Under the provision of the Foundation’s Memorandum and Articles of Foundation, every member of the Foundation undertakes to contribute to the assets of the Foundation to the extent of HK\$50 in the event of the Foundation being wound up. The address of its registered office is 18 La Salle Road, Kowloon, Hong Kong.

The principal activities of the Foundation are to promote and advance in all aspects education of all levels, the quality in education and all matters of or concerning education in Hong Kong and in particular the provision and maintenance of educational facilities at La Salle College and La Salle Primary School.

The financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Foundation.

2 PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of preparation and changes in accounting policies

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“the HKICPA”) and the requirement of Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the financial statements is historical cost, except for the financial instruments which are stated at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation’s accounting policies. There is no area involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements.

(a) New and amended standards adopted by the Foundation

In the current year, the Foundation had applied for the first time, a number of new standards, amendments, and interpretations (“new HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Foundation’s financial statements for the annual period beginning on 1 April 2020. The adoption of these new HKFRSs had no material effect on the results of operation and financial position for the current or prior accounting period which have been prepared and presented.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.1 Basis of preparation and changes in accounting policies (continued)

- (b) *Standards, amendments and interpretations to existing standards that are relevant to the Foundation but not yet effective and have not been early adopted by the Foundation*

Up to the date of this report, a number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2021, and have not been early adopted in preparing these financial statements. None of these will have material effect on the financial statements of the Foundation.

2.2 Revenue recognition

- (i) Donations received are recognized in the period in which they are being received by the Foundation.
- (ii) Investment income is recognized when the right to receive payment is established.
- (iii) Interest income is recognized on a time proportion basis, taking into account the principal amount outstanding and the interest rate applicable.

2.5 Impairment of financial assets

The Foundation recognizes loss allowances for ECL on the financial instruments that are not measured at fair value through profit or loss. The Foundation considers the probability of default upon initial recognition of financial assets and assesses whether there has been a significant increase in credit risk on an ongoing basis.

The Foundation considers the credit risk of a financial instrument is low if the financial instrument has a low risk of default, the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfill its contractual cash flow obligations.

The carrying amount of the receivables is reduced through the use of the receivable impairment charges account. Changes in the carrying amount of the receivable impairment charges account are recognized in profit or loss. The receivable is written off against the receivable impairment charges account when the Foundation has no reasonable expectations of recovering the receivable.

If, in a subsequent period, the amount of ECL decreases, the reversal would be adjusted to the receivable impairment charges account at the end of the reporting period. The amount of any reversal is recognized in profit or loss.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

2.7 Provisions

Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.8 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Foundation operates (“the functional currency”). The financial statements are presented in HK\$, which is the Foundation’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

3 FINANCIAL RISK MANAGEMENT

The Foundation’s activities do not expose it to significant foreign exchange risk and credit risk. It minimizes liquidity risk by maintaining sufficient cash to meet current and expected liquidity so as to enable it to meet its liabilities as and when they fall due and to continue operating for the foreseeable future. Its remaining contractual maturity for its financial liabilities are within 3 months or on demand. Other than cash at bank, the Foundation has no significant interest-bearing assets and liabilities. Included in cash at bank are balances of HK\$40,060,875 (2020: HK\$42,396,097) which earn interest on bank deposit rates. The cash flow interest rate risk is considered limited as the range of interest rates fluctuation is not significant.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 CAPITAL MANAGEMENT

Capital comprises total funds stated on the statement of financial position. The Foundation's objective when managing capital is to safeguard its ability to continue as a going concern.

The Foundation manages capital by regularly monitoring its current and expected liquidity requirements.

5 DIRECTORS' REMUNERATION

None of the directors received any emoluments in respect of their services rendered to the Foundation during the year. (2020 : nil)

6 TAXATION

The Foundation is exempt from Hong Kong profits tax by virtue of Section 88 of the Inland Revenue Ordinance.

7 BANK BALANCES

	2021 HK\$	2020 HK\$
Cash at bank	40,060,875	22,396,097
Bank deposit with maturity over 3 months	<u>-</u>	<u>20,000,000</u>
Total bank balances	<u>40,060,875</u>	<u>42,396,097</u>
Cash and cash equivalents as stated in statements of cash flows	<u>40,060,875</u>	<u>22,396,097</u>

8 OTHER PAYABLES

All of the other payables are expected to be settled or recognized as income within one year or are repayable on demand, and the carrying amounts approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 DONATIONS PAID

Donations made by the Foundation during the year are as follows:

	2021	2020
	HK\$	HK\$
Donation beneficiary		
- La Salle College	2,243,658	2,160,484
- La Salle Primary School	<u>1,887,298</u>	<u>1,729,970</u>
Total donations paid	<u>4,130,956</u>	<u>3,890,454</u>

10 RELATED PARTY TRANSACTIONS

- (a) Except for the transactions and balances disclosed elsewhere in these financial statements, the Foundation did not have other major transactions with related parties.
- (b) Members of key management during the year comprised only of the directors who did not receive any remuneration as set out in note 5 to the financial statements.

11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 3 to 11 were approved and authorized for issue by the board of directors on **6 OCT 2021**.



Partners

黃華燊 執業會計師
THOMAS W S WONG, FCPA (Practising)

蔡懿德 執業會計師
ROSANNA Y T CHOI, FCPA (Practising)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LA SALLE FOUNDATION LIMITED

喇沙基金有限公司

(incorporated in Hong Kong and limited by guarantee without a share capital)

Opinion

We have audited the financial statements of La Salle Foundation Limited (the "Foundation") set out on pages 3 to 11, which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated surplus and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 ("HKSAAs") 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, 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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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA SALLE FOUNDATION LIMITED (continued)

Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Foundation'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 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LA SALLE FOUNDATION LIMITED (continued)**

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

- 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 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.

We communicate with the directors 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.

CW CPA
Certified Public Accountants

HONG KONG, 6 OCT 2021