

名仕會計師事務所有限公司
DOUGLAS CPA (PRACTISING) LIMITED

*Certified Public Accountants
Hong Kong*

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED
(COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

REPORTS

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2021

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2021

<u>CONTENTS</u>	<u>PAGE</u>
DIRECTORS' REPORT	1 - 2
INDEPENDENT AUDITOR'S REPORT	3 - 5
FINANCIAL STATEMENTS	6 - 7
NOTES TO THE FINANCIAL STATEMENTS	8 - 12

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30th June, 2021.

PRINCIPAL ACTIVITIES

The Association is engaged in the purpose of providing young people with practical economic education program and experiences through a partnership between business and education communities and serving as a catalyst for character, creativity and leadership development in the young people of Hong Kong.

THE STATE OF THE ASSOCIATION'S AFFAIRS

The state of the Association's affairs as at 30th June, 2021 are set out in the financial statements on pages 6 to 12.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Association are set out in note 7 to the financial statements.

DIRECTORS

The directors of the Association during the year were as follows:

Lo Wing Yan William
Kwik Derek Tsan

In accordance with Article 36 of the Association's Articles of Association, Lo Wing Yan William and Kwik Derek Tsan retire and, being eligible, offer themselves for re-election.

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.

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

DIRECTORS' REPORT


PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this directors' report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Association or an associated company.

AUDITORS

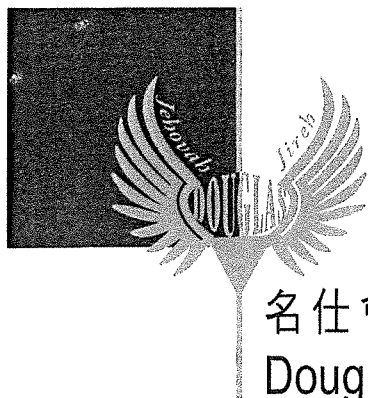
A resolution for the re-appointment of Douglas CPA (Practising) Limited as auditors of the Association is to be proposed at the forthcoming annual general meeting.

On behalf of the Board



Lo Wing Yan William
Chairman

Hong Kong : 30th November, 2021



曾廣業執業會計師 TSANG Kwong Yip
CPA(Practising); BSc; MCS; FCCA; FAIA; FCPA; ATiHK; CPA

李兆匡執業會計師 LI Siu Hong
CPA(Practising); BBA; MCS; MAcc; FCCA; CPAA; CPA

吳綺文執業會計師 NG Yee Man
CPA(Practising); BBA(Hons); CPA

名仕會計師事務所有限公司

Douglas CPA (Practising) Limited Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability

limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of Junior Achievement (Hong Kong) Limited ("the Association") set out on pages 6 to 12, which comprise the statement of financial position as at 30th June, 2021 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 Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") 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") and with reference to Practice Note 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 Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability
limited by guarantee and not having a share capital)

Other information - continued

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 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap.622), 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability

limited by guarantee and not having a share capital)

Auditor's responsibilities for the audit of the financial statements - continued

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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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.



Douglas CPA (Practising) Limited
Certified Public Accountants

Hong Kong : 30th November, 2021

Tsang Kwong Yip
Practising Certificate No.: P04076

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2021

	<u>Notes</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Revenue	3	12,405,294.20	5,927,635.95
Other income		413,892.00	84,000.00
		<u>12,819,186.20</u>	<u>6,011,635.95</u>
Administrative expenses		(8,165,172.15)	(5,976,688.79)
Surplus for the year	4	<u>4,654,014.05</u>	<u>34,947.16</u>

The annexed notes form part of these financial statements.

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

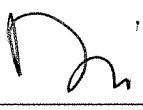
	<u>Notes</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
NON-CURRENT ASSET			
Property, plant and equipment	7	<u>22,748.07</u>	<u>26,669.74</u>
CURRENT ASSETS			
Rental and utility deposits		86,200.00	86,200.00
Others receivable and prepayments		345,332.33	436,122.02
Cash and bank balances		<u>7,867,293.42</u>	<u>1,871,245.83</u>
		<u>8,298,825.75</u>	<u>2,393,567.85</u>
CURRENT LIABILITIES			
Accounts payable		340,117.88	174,638.02
Others payable and accrued expenses		531,476.80	403,303.47
Received in advance		<u>1,929,150.24</u>	<u>975,481.25</u>
		<u>2,800,744.92</u>	<u>1,553,422.74</u>
NET CURRENT ASSETS		<u>5,498,080.83</u>	<u>840,145.11</u>
NET ASSETS		<u>5,520,828.90</u>	<u>866,814.85</u>
RESERVE			
General fund	8	1,753,727.90	866,814.85
Designated fund	8	<u>3,767,101.00</u>	<u>-</u>
		<u>5,520,828.90</u>	<u>866,814.85</u>

The annexed notes form part of these financial statements.

Approved and authorised for issue by the Board of Directors on 30th November, 2021



Lo Wing Yan William
Director



Kwik Derek Tsan
Director

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2021

1. GENERAL

Under the provision of the Association's Memorandum and Articles of Association, every member shall, in the event of the Association being wound up, contribute such an amount as may be required to meet the liabilities of the Association but not exceeding the sum of HK\$100.00 each.

The Association is registered under the Companies Ordinance as a company limited by guarantee and not having a share capital. It is a non-profit making entity formed for the purpose of providing young people with practical economic education program and experiences through a partnership between business and education communities and serving as a catalyst for character, creativity and leadership development in the young people of Hong Kong. The address of its registered office is Room 801, 8/F., Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Association qualifies for the reporting exemption as a small guarantee company under section 359 (1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The Association is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the "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 Association 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 recognised

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

- (i) subvention and contribution income are recognised when the Association's right to receive payment has been established; and

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2021

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - continued

(a) Revenue recognised - continued

(ii) interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

(iii) Anti-epidemic subsidy grant is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

(b) Foreign currencies

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

(c) Taxation

No provision for Hong Kong profits tax has been made as the Association is exempted from tax under Section 88 of the Inland Revenue Ordinance.

(d) Property, plant and equipment and depreciation

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

Depreciation is provided to write off their costs of property, plant and equipment over their estimated useful lives, using the straight line method. The principal annual rates used for depreciation are as follows:

Office equipment	33 $\frac{1}{3}$ %
Leasehold improvement	20%

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2021

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - continued

(e) Impairment of assets

An assessment is made at the end of each reporting year to determine whether there is any indication of impairment or reversal of previous impairment, including terms of property, plant and equipment. 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 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 year.

(f) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Association 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.

(g) Accounts and other receivables

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

(h) Retirement benefit costs

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

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2021

3. REVENUE

An analysis of the Association's revenue is as follows:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Contribution income	11,815,075.98	5,326,842.60
Contribution income - In kind (Rent)	590,216.00	600,792.00
Bank interest income	2.22	1.35
	<u>12,405,294.20</u>	<u>5,927,635.95</u>

4. SURPLUS FOR THE YEAR

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Surplus for the year is arrived at		
after charging:		
Depreciation	23,286.44	38,790.87
Exchange loss	-	2,941.93
Other staff costs	602,975.25	559,528.04
Rental payment under operating lease		
in respect of premises	<u>774,163.20</u>	<u>812,765.60</u>
after crediting:		
Anti-epidemic subsidy grant	<u>413,892.00</u>	<u>84,000.00</u>

5. DIRECTORS' REMUNERATION

None of the directors received or will receive any fees or emoluments in respect of their service to the Association during the year (2020: Nil).

6. TAXATION

No provision for Hong Kong profits tax has been made as the Association is exempted from tax under Section 88 of the Inland Revenue Ordinance.

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2021

7. PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u> HK\$	<u>Leasehold improvement</u> HK\$	<u>Total</u> HK\$
COST			
At 1st July, 2020	71,353.23	140,700.00	212,053.23
Additions	19,364.77	-	19,364.77
Written off	(1,790.00)	-	(1,790.00)
At 30th June, 2021	<u>88,928.00</u>	<u>140,700.00</u>	<u>229,628.00</u>
ACCUMULATED DEPRECIATION			
At 1st July, 2020	58,753.49	126,630.00	185,383.49
Charge for the year	9,216.44	14,070.00	23,286.44
Written off	(1,790.00)	-	(1,790.00)
At 30th June, 2021	<u>66,179.93</u>	<u>140,700.00</u>	<u>206,879.93</u>
NET BOOK VALUE			
At 30th June, 2021	<u>22,748.07</u>	<u>-</u>	<u>22,748.07</u>
At 30th June, 2020	<u>12,599.74</u>	<u>14,070.00</u>	<u>26,669.74</u>

8. CHANGES IN EQUITY

	<u>General fund</u> HK\$	<u>Designated funds</u> HK\$	<u>Total</u> HK\$
At 1st July, 2019	831,867.69	-	831,867.69
Surplus for the year	34,947.16	-	34,947.16
At 30th June, 2020	866,814.85	-	866,814.85
Surplus for the year	4,654,014.05	-	4,654,014.05
Fund transfer	(3,767,101.00)	3,767,101.00	-
At 30th June, 2021	<u>1,753,727.90</u>	<u>3,767,101.00</u>	<u>5,520,828.90</u>

9. COMMITMENTS UNDER OPERATING LEASE

The Association had the following total future minimum lease payments payable under non-cancellable operating leases:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Not later than one year	777,336.00	700,660.00
Later than one year	647,780.00	-
	<u>1,425,116.00</u>	<u>700,660.00</u>

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2021

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
INCOME		
Contribution income	11,815,075.98	5,326,842.60
Contribution income - In kind (Rent)	590,216.00	600,792.00
Bank interest income	2.22	1.35
Subsidy grant under Employment Support Scheme	413,892.00	84,000.00
	<u>12,819,186.20</u>	<u>6,011,635.95</u>
LESS: EXPENDITURE		
Accounting fee	150,000.00	139,500.00
Advertising and marketing	177,015.24	62,833.84
Auditors' remuneration	9,900.00	9,900.00
Bank charge	2,487.95	4,013.68
Building management fee	87,252.00	87,252.00
Depreciation	23,286.44	38,790.87
Electricity and water	14,304.00	7,411.00
Exchange loss	-	2,941.93
Fundraising expenses	779,985.60	658,125.00
Insurance	104,897.11	102,039.90
Legal and professional fee	6,522.70	-
Mandatory provident fund contribution	178,242.85	139,259.82
Office supplies	27,838.44	37,900.25
Postage and delivery	22,176.09	2,042.78
Program expenses	5,260,693.78	3,261,257.02
Rent	788,663.20	834,415.60
Rental of furniture	7,200.00	7,200.00
Salaries and wages	424,732.40	420,268.22
Sundry expenses	70,736.31	128,649.71
Telephone	24,859.00	22,461.00
Travelling	4,379.04	10,426.17
	<u>8,165,172.15</u>	<u>5,976,688.79</u>
Surplus for the year	<u>4,654,014.05</u>	<u>34,947.16</u>

Remark:

The figures and financial information relating to the year ended 30th June, 2021 included in the detailed income and expenditure account are not the Association's statutory annual financial statements for that year. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Association will deliver those financial statements to the Registrar of Companies in due course as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Association's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.