

FAIR TRADE HONG KONG FOUNDATION LIMITED
香港公平貿易聯盟有限公司

REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CHEUNG KA HO
CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

FAIR TRADE HONG KONG FOUNDATION LIMITED

CONTENTS

	PAGES
REPORT OF THE DIRECTORS	1 - 6
INDEPENDENT AUDITOR'S REPORT	7 - 10
INCOME AND EXPENDITURE ACCOUNT	11
STATEMENT OF FINANCIAL POSITION	12
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS	13 - 18

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITY

The principal activities of the Foundation during the year were organisation of a number of activities to raise awareness of Fair Trade and enhance the demand for Fair Trade promotion in the community.

Engagement and Promotion

With an aim of promoting Fair Trade to the public and raise their awareness of supporting the sustainable development of agricultural producers in developing countries, Fair Trade Hong Kong Foundation Limited (FTHK) has been organizing different kinds of public events, including bazaars, talks, exhibitions and coffee ground upcycling workshops, for general public.

Merrier Together Hysan Christmas Bazaar (Target: General Public)

Partnered with Hysan Place and 12 traders, we were delighted to deliver a Christmas bazaar from 25 to 27 December 2020. More than 2,000 participants joined and shared the joy with us.

The Good Gift Christmas Fair @ Crossroads Village (Target: General Public)

Co-hosted with Crossroad International and supported by HSBC HK Community Partnership Programme, The Good Gift Christmas Fair was a 2-day gala event that incorporated stalls selling sustainable and fair trade products and family activities like coffee ground upcycling and other engaging workshops. The response was very overwhelming. More than 4,000 participants joined on 13 and 14 November 2021.

Corporates play a vital role in Fair Trade movement in Hong Kong. Therefore, FTHK has been engaging corporates through Fair Trade Corporate Partnership Scheme, Fair Trade Corporate Award, tailor-made seminars and experiential workshops with topics of sustainable development, globalization, gender equality and corporate social responsibility.

Fair Trade Corporate Award 2020 (Target: Corporates and Traders)

The Fair Trade Corporate Award is one of the ways we acknowledge our corporate partners which stood up to proclaim their support of Fair Trade. We recognize our partners' contributions and devotion with an annual award ceremony. A total of 20 corporates and traders were awarded in January 2021.

Coffee Ground Dyeing Workshop @ HKPR Professionals' Association

(Target: Members of PRPA, 10 participants)

Chocolate Making Workshop @ Innocloud

(Target: Staff of Innocloud, 10 participants)

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

Engagement and Promotion (cont'd)

Energy Ball Making Workshop @ Contin Technology

(Target: Staff of Contin Technology, 16 participants)

Coffee Ground Soap Making Workshop @ NWS Holding Limited

(Target: Staff of NWS Holding Limited, 15 participants)

School Education Programmes

Bring Fair Trade to Your School ("BFTYS") Programme

Nurturing a Fair Trade generation with an understanding of global citizenship and relevant skills has always been one of our focuses. Since its establishment in 2008, FTHK has provided various educational activities for over 170 schools and educational institutes. Started in 2010, the BFTYS Programme has been enhancing students' awareness of Fair Trade and United Nations' Sustainable Development Goals through school talks and specially-designed workshops. In 2021, around 3,000 students from primary and secondary schools benefited from the programme.

Jockey Club Fair Trade School Award Scheme 2019-2022

With a new scheme structure, The Jockey Club Fair Trade School Award Scheme (2019-2022) was launched in 2019 and entered the second project year in September 2020. The scheme aims at nurturing the next generation to be more active and be the responsible global citizens who will have the ability of initiating a deeper self-reflection on consumption behaviour.

Though the impact of COVID-19 and suspension of face-to-face classes continued, we managed to change most activities to online format. For the first batch of schools, we conducted 13 online student workshops, five school talks (one face-to-face, three pre-recorded and one online streaming) and seven teacher-led (Fair Trade) lessons. Besides, two student groups organized student-led activities (a campus charity sale of Fair Trade products and a Fair Trade exhibition and game booth) which received great support from their schools.

Regarding the joint-school part, the report of "Survey on local teenagers' consumption behaviour" has been completed and announced on our social media platforms. Besides, the "Most Fair Product Voting" campaign was smoothly implemented through our website, Facebook, Instagram, etc. During the voting period which ended in late May 2021, students developed a series of posts describing the unfair stories behind different products and how Fair Trade could help improve the situation.

A group of batch A students engaged in the local farm tour this summer, which was a provoking and experiential tour that concluded their programme with a taste of farmer's life. Meanwhile, the Joint-school Committee of batch B schools has submitted their draft survey on consumption experience. While the Department of Social Science, The Hang Seng University of Hong Kong (HSU) is now reviewing the draft and offering its professional input, a coaching session coordinated by the teaching fellow from HSU was already conducted on 27 October 2021.

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

School Education Programmes (cont'd)

Jockey Club Fair Trade School Award Scheme 2019-2022 (cont'd)

This summer also marked an end to the commitment of the first batch of schools. All schools have submitted their sustainability procurement plans. Upon completion, an Award Presentation Ceremony cum the Result Announcement Ceremony of the “Most Fair Product” were held on 27 November 2021 to recognize the effort and contribution of the following eight partner schools (listed by alphabetical order):

- ELCHK Lutheran Secondary School
- Heung To Secondary School (Tseung Kwan O)
- Kowloon True Light Middle School
- Shatin Methodist College
- Sheng Kung Hui Tang Shiu Kin Secondary School
- S.K.H. Lui Ming Choi Secondary School
- The Chinese Foundation Secondary School
- Ying Wa College

“Sustainable and Fair Future through the Gaps” Project

Supported by Environment and Conservation Fund, “Sustainable and Fair Future through the Gaps”, a new project organized by FTHK was launched in August 2021. The project aims at raising general public’s awareness of fairness and sustainability in the aspect of environment and urban development through intergenerational collaboration. During August-October 2021, a group of 40 ambassadors (20 retired professionals and 20 university students) were recruited. By the end of the project in January 2023, we aim to deliver five guided tour routes with the theme of “fair and sustainable urban development” designed by the ambassadors.

On 18 November 2021, the first training workshop was held. A total of 25 ambassadors was in attendance. The following three speakers were invited to share their insights and exchange ideas with the ambassadors:

- Dr. MAN Chi Sum, JP, The Hong Kong Wetlands Conservation Association’s Chairman
- Mr. Andrew TSUI, Rooftop Republic’s Co-founder
- Ms. LEUNG Pui Fung, Fair Trade Hong Kong Foundation’s Founding Chair

A thematic talk and design thinking workshop that combined with JC Fair Trade School Award Presentation Ceremony were also arranged for ambassadors on 27 November 2021. A total of 35 ambassadors joined and provided positive feedback. We were honoured to have Professor HO Kin Chung, BBS, JP and Professor JIM Chi Yung, BH, JP as our keynote speakers to talk about “Seeing Righteousness through Protection of Marine Environment” and “Water Resources and Urban Trees Fostering Health and Socioeconomic Well-being” respectively.

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

School Education Programmes (cont'd)

“Sustainable and Fair Future through the Gaps” Project (cont'd)

During the first and second quarters of 2022, the ambassadors will be provided with site-visit experience and equipped with tour design and guiding skills. Schools and general public will be invited to join the guided tours designed and led by ambassadors from August to November 2022.

RESULTS AND APPROPRIATIONS

The financial performance of the Foundation for the year and the state of the Foundation's affairs as at 31 March 2021 are set out in the annexed financial statements.

SHARE CAPITAL

The Foundation is a company limited by guarantee and not having a share capital.

In accordance with Clause 6 of the Memorandum of Association of the Foundation, every member of the Foundation has undertaken to contribute a sum not exceeding HK\$10 to the assets of the Foundation in the event of the Foundation being wound-up during the time they are members or within one year thereafter for the payment of the debts and liabilities of the Foundation contracted before the time at which they cease to be members and of the costs and expenses of winding-up the Foundation, and for the adjustment of the rights of the contributories amongst themselves.

DIRECTORS

The directors of the Foundation who held office during the year were:

LEUNG Pui Fung	
YIP Pui Wah, Miranda	(resigned on 11 June 2021)
CHEUNG Yat Sum, Maria	
HO Ambrose	
LAU Mei Yin	
LI Yiu Shing	
MOK Ka Hon	(appointed on 21 January 2021)

In accordance with Article 34 of the Foundation's Articles of Association, one-half of the directors retire from office at the forthcoming annual general meeting and, being eligible, offers themselves for reelection.

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

DIRECTORS (CONT'D)

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

MANAGEMENT CONTRACTS

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

EQUITY-LINKED ARRANGEMENTS

The Foundation has not entered into any agreements during the year which will or may result in the Foundation issuing shares and no such agreements subsisted at the end of the year.

PERMITTED INDEMNITY PROVISION

No indemnity provisions were in force during the year, or are in force at the date of this report, for the benefit of one or more directors of the Foundation.

AUDITOR

Cheung Ka Ho Certified Public Accountant (Practising) be appointed as auditor of the Foundation to be hold office until the conclusion of the next annual general meeting.

LOOKING AHEAD

As things stand, we are overjoyed to see heightened awareness on ESG and CSR within the corporate realm, and the success in developing a positive word-of-mouth across the community. With the latest vacuum of input in the education community following the massive upheaval of a core subject in our local education curriculum, organizations in our shape also have a role to play in instilling the sense and sensibility towards being a global citizen. These altogether are chance for Fair Trade Hong Kong to grasp as we continue to live our pledge in advocating for social justice on the global level and nurturing responsible members of the community.

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

LOOKING AHEAD (CONT'D)

Let's ride on the tides and make tomorrow's world a better one than yesterday's! The much we strode on in the recent decades all started one day, and let this be the day!

By order of the board



LI Yiu Shing
Chairman

Hong Kong, 8 December 2021

CHEUNG KA HO CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

張家豪執業會計師

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FAIR TRADE HONG KONG FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability)**

Opinion

We have audited the financial statements of Fair Trade Hong Kong Foundation Limited (the “Foundation”) set out on pages 11 to 18, which comprise the statement of financial position as at 31 March 2021, and the income and expenditure account 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 Foundation 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 (“HKSA”) 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 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.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the financial statements which indicate that the Foundation incurred a deficit for this year and as at 31 March 2021, the Foundation’s total liabilities exceeded its total assets by HK\$4,998. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Foundation’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in report of the directors, 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.

CHEUNG KA HO CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

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INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF FAIR TRADE HONG KONG FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability)

Other Information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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 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 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.

Those charged with governance 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 Hong Kong Companies Ordinance (Cap 622), and no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of report.

CHEUNG KA HO CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

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INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF FAIR TRADE HONG KONG FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains 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 entity'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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

CHEUNG KA HO CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

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INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF FAIR TRADE HONG KONG FOUNDATION LIMITED
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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 the auditor identifies during the audit.



Cheung Ka Ho
Certified Public Accountant (Practising)
HKICPA Practising Certificate Number: P06282

Hong Kong, 8 December 2021

FAIR TRADE HONG KONG FOUNDATION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021


	Notes	2021 HK\$	2020 HK\$
REVENUE	3	1,692,194	1,779,283
OTHER REVENUE	4	252,256	5,951
OTHER NET LOSS		-	(211)
ADMINISTRATIVE EXPENSES		(1,361,284)	(2,339,976)
SURPLUS/(DEFICIT) BEFORE TAX	5	<u>583,166</u>	<u>(554,953)</u>
INCOME TAX EXPENSE	6	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	10	<u><u>583,166</u></u>	<u><u>(554,953)</u></u>

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

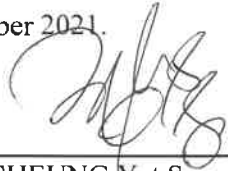
FAIR TRADE HONG KONG FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 HK\$	2020 HK\$
CURRENT ASSETS			
Other receivables		335,191	264,988
Cash at bank		174,083	50,550
		509,274	315,538
CURRENT LIABILITIES			
Amounts due to directors	8	400,000	520,000
Bank overdraft	9	-	168,315
Accrued charges		18,210	98,125
Other payables		96,062	117,262
		514,272	903,702
NET LIABILITIES		(4,998)	(588,164)
Represented by:		(4,998)	(588,164)
ACCUMULATED DEFICIT		(4,998)	(588,164)

Approved and authorised for issue by the board of directors on 8 December 2021.



 LI Yiu Shing
 Director



 CHEUNG Yat Sum, Maria
 Director

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

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 REPORTING ENTITY

Fair Trade Hong Kong Foundation Limited is a company incorporated in Hong Kong and is limited by guarantee. The Foundation's registered office is located at Dream Impact, Unit C, 4/F., 760 Cheung Sha Wan Road, Cheung Sha Wan, Hong Kong. The principal activities of the Foundation during the year were organisation of a number of activities to raise awareness of Fair Trade and enhance the demand for Fair Trade.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting.

At 31 March 2021, the Foundation's total liabilities exceeded its total assets by HK\$4,998. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Foundation's ability to continue as a going concern and therefore, that the Foundation may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis notwithstanding the above mentioned factors, on the basis of an undertaking received from the directors of the Foundation that they will provide continuing financial assistance to the Foundation as is necessary to maintain the Foundation as a going concern and to enable it to meet its financial liabilities as and when they fall due for the foreseeable future.

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:

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(a) Revenue

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

- (i) Sponsorship and event fee income is recognised when the event takes place.
- (ii) General donations are recognised upon receipt of such payments.
- (iii) Specific donations, which are earmarked for specific purposes, are recognised when there is a reasonable assurance that the Foundation will comply with the conditions attaching to it and that the amount will be received.
- (iv) Partnership fee and licensee fee are recognised when the fee is payable to that partnership year.
- (v) Bank interest income is recognised when it is received.
- (vi) Sundry income is recognised when it is received.

(b) Reporting currency

The reporting currency of the Foundation is Hong Kong Dollars (“HK\$”), which is the currency of the primary economic environment in which the Foundation 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 and expenditure account.

(c) Taxation

Provision for taxation is not required as the Foundation has been exempted from Hong Kong Profits Tax under section 88 of the Inland Revenue Ordinance.

(d) Leases

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.

(e) Receivables

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

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

(f) Designated funds

These funds are set aside by the Foundation for designated purposes and for those non-subvented projects. The income and expenditure relating to these designated funds are directly dealt with in the income and expenditure account. Any net surpluses or deficits relating to these funds are transferred from/to the income and expenditure account to these designated funds.

(g) Government subsidies

Government subsidies are recognised as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the Company will comply with the conditions attaching to them and the subsidies will be received. Government subsidies that become receivable as compensation for expenses or loss already incurred or for the purpose of giving immediate financial support to the Company, with no future related cost, is recognised as income of the period in which it becomes receivable.

3 REVENUE

An analysis of the Company's revenue and other income is as follows:

	2021 HK\$	2020 HK\$
Sponsorship and event fee income	182,423	539,495
Grants from:		
- The Hong Kong Jockey Club Charities Trust	1,103,839	728,108
- Environment and Conservation Fund	32,607	185,230
Licensee fee income	250,805	256,613
General donation	15,631	54,237
Partnership fee income	106,889	15,600
	1,692,194	1,779,283

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4 OTHER REVENUE

	2021	2020
	HK\$	HK\$
Bank interest income	-	58
Government subsidy (note)	233,161	-
Sundry income	19,095	5,893
	252,256	5,951

Note: Government subsidy represent funds from the HKSAR Government under Employment Support Scheme under Anti-epidemic Fund.

5 SURPLUS/(DEFICIT) BEFORE TAX

Surplus/(Deficit) before tax is arrived at after charging:

	2021	2020
	HK\$	HK\$
Bank overdraft interest	360	18
Exchange losses, net	-	211
Staff costs (including directors' remuneration)	717,546	1,229,992
	717,546	1,229,992

6 INCOME TAX

The Foundation is an approved charitable institution and is exempted from income tax under section 88 of the Inland Revenue Ordinance.

7 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383 of the Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) for the year is HK\$Nil (2020: HK\$Nil).

8 AMOUNTS DUE TO DIRECTORS

The amount due to directors are interest-free, unsecured and repayable on demand.

9 BANK OVERDRAFT

The bank overdraft is unsecured and repayable within one year.

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10 CHANGES IN FUNDS

	General fund HK\$	Strategic plan HK\$	Fair Trade Marketing Organisation HK\$	Bring Fair Trade to your school fund 2014-2015 HK\$	Bring Fair Trade to your school fund 2016-2018 HK\$	Jockey Club Fair Trade School Award Scheme HK\$	Macau Education HK\$	Environment and Conservation Fund HK\$	Total HK\$
At 1 April 2020	811,475	(1,616,622)	84,702	(8,900)	4,116	(42,453)	168,271	11,247	(588,164)
Surplus/(Deficit) for the year	(165,887)	324,782	222,895	-	-	293,843	-	(92,467)	583,166
Transfers	(100,000)	(30,000)	-	-	-	-	-	130,000	-
At 31 March 2021	545,588	(1,321,840)	307,597	(8,900)	4,116	251,390	168,271	48,780	(4,998)

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11 COMMITMENTS UNDER AN OPERATING LEASE

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

	2021 HK\$	2020 HK\$
Not later than one year	73,890	-
Later than one year	-	-
	<u>73,890</u>	<u>-</u>

12 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised to issue by the Foundation's board of directors on 8 December 2021.

FAIR TRADE HONG KONG FOUNDATION LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021
(For management information only)

	2021		2020	
	HK\$	HK\$	HK\$	HK\$
REVENUE				
Sponsorship and event fee income	182,423		539,495	
Grants from:				
- The Hong Kong Jockey Club Charities Trust	1,103,839		728,108	
- Environment and Conservation Fund	32,607		185,230	
Licensee fee income	250,805		256,613	
General donation	15,631		54,237	
Partnership fee income	106,889		15,600	
		1,692,194		1,779,283
OTHER REVENUE				
Bank interest income	-		58	
Government subsidy - Employment Support Scheme	233,161		-	
Sundry income	19,095		5,893	
		252,256		5,951
OTHER NET LOSS				
Exchange losses, net		-		(211)
ADMINISTRATIVE EXPENSES				
Accounting fee	-		8,000	
Advertising	9,463		244,614	
Auditor's remuneration	18,499		9,000	
Bank charges	529		1,378	
Bank overdraft interest	360		18	
Insurance	3,230		61,194	
Office supplies	1,812		-	
Printing and stationery	33,376		25,802	
Programme expenses	422,533		586,349	
Rent	87,725		126,375	
Secretarial fee	2,000		3,855	
Staff benefits	3,155		-	
Staff costs	717,546		1,229,992	
Sundry expenses	27,892		27,706	
Telecommunications	8,647		6,750	
Translation fee	3,200		-	
Transportation	6,040		8,943	
Travelling	15,277		-	
		(1,361,284)		(2,339,976)
SURPLUS/(DEFICIT) BEFORE TAX		583,166		(554,953)