

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 2024

JOIN US CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

FAIR TRADE HONG KONG FOUNDATION LIMITED

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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 2024.

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.

The Fair Trade movement has sought to build awareness of Fair Trade among our stakeholders, and its success requires joint efforts of different sectors, including schools, businesses and consumers. Fair Trade Hong Kong Foundation (FTHK) seeks to promote justice, equity and sustainable development at the heart of trade structures and practices through public engagement and educational activities by various means: forums, talks, exhibitions, bazaars, upcycling workshops and community-based projects, which reflects what a fairer world should be for everyone.

Corporate ESG and SDGs Programmes

Collaborating with businesses to encourage and co-create environmentally and socially sustainable communities is one of the key focuses of FTHK. Throughout the year, FTHK actively engaged corporates and organizations in initiatives such as Fair Trade Corporate Partnership Scheme, Fair Trade Awards, charitable events, customized talks/seminars and experiential workshops. These efforts aimed to promote awareness and the importance of SDGs, ESG, gender equality, equitable society, sustainable consumption and corporate responsibility. Between April 2023 to March 2024, more than 30 sessions of engagement workshops and activities were conducted for our corporate partners.

Fair Trade Awards 2023 Sponsored by ChampionREIT @ Eaton Club

The Fair Trade Awards is an annual event of FTHK to recognize corporates, organizations and the education sector that collaborate with FTHK to promote Fair Trade and sustainability. On 18 July 2023, the awards were presented at the ChampionREIT ESG Forum held at Eaton Club, honoring 17 corporates and organizations, as well as 13 universities and schools. The forum's theme was "Journey to Net Zero: Aligning Business and Environmental Decisions for Green Transition". Maria Cheung, Chief Executive of FTHK, participated as a panelist, discussing how Fair Trade supported farmers in combating climate change and contributes to reducing carbon emissions, thereby enhancing the audience's understanding of Fair Trade's role in Environmental, Social and Governance (ESG) and the Sustainable Development Goals (SDGs).

FTHK's 15th Anniversary Special - Fair Trade Pop-up Series < 公平迴廊 >

To celebrate FTHK's 15th anniversary, a series of pop-up events and activities were organized to promote Fair Trade across different communities and expand the coverage of targets. From July to December 2023, events including book sharing sessions at The Jockey Club Museum of Climate Change at The Chinese University of Hong Kong, movie screening and sharing as well as book corners, upcycling workshops and bazaars featuring Fair Trade products, were hosted in partner cafes and corporates' offices. These activities engaged a diverse range of participants from different social sectors, aiming to deliver a message of equitable society and sustainable development.

**FAIR TRADE HONG KONG FOUNDATION LIMITED
REPORT OF THE DIRECTORS (CONT'D)**

PRINCIPAL ACTIVITIES (CONT'D)

Public Engagement and Promotion (cont'd)

Movie Screening and Sharing of < A Light Never Goes Out 燈火闌珊 >

Sponsored by the Hong Kong Housing Society, a moving screening took place at Broadway Cinematheque on 14 May 2023. The movie was about the evolution of Hong Kong over time through the business rise and decline of neon lighting. Through the movie sharing, FTHK highlighted the significance of individual roles in building and supporting sustainable development in Hong Kong.

ProWine Hong Kong @ HKCEC

Aiming to explore Fair Trade wine business into Hong Kong, Cape Wine Company, a South African wine producer which widely supports Fair Trade farmers, hosted a booth at ProWine Hong Kong. FTHK introduced several ethical food and beverage traders to the owner of the company who curated his contribution to the communities through participating in the Fairtrade initiative that aids in the production of its wines from vine to bottle. The South African Wine Industry's farm communities reaping the rewards of sustainability and integrity is thus achieved.

Food Expo 2023 and Vegetarian Food Asia @ HKCEC

Food Expo 2023 was a 5-day event from 17 August to 21 August 2023 while Vegetarian Food Asia was a 3-day exhibition from 8 March to 10 March 2024. FTHK collaborated with four trading partners at Food Expo 2023 and three at Vegetarian Food Asia, promoting a variety of Fairtrade certified, sustainable and organic products such as tea, coffee, rice, noodle and snacks to the visitors. These events provided an excellent opportunity to promote ethical consumption, sustainable practices and the stories behind Fair Trade to the general public.

#CollectiveImpact Campaign @ Dream Impact

Aspiring to connect a network of social enterprises and NGOs to drive Hong Kong's impact ecosystem, Dream Impact initiated #CollectiveImpact Campaign and invited several Resident Partners (RPs) to share the successful and meaningful collaborations with other RPs within Dream Impact's community. FTHK was delighted to receive a video interview, highlighting the cross-sector collaboration with another socially-minded organization, Kai Fong Tour, on how we worked together on the "Sustainable and Fair Future Through the Gaps" project to create impact on the society.

FAIR TRADE HONG KONG FOUNDATION LIMITED
REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

School Education Programmes

Bring Fair Trade to Your School (“BFTYS”) Programme

FTHK believes that education is key to promoting sustainable development. Our mission is to cultivate sustainable consumption awareness among the younger generation through diverse educational programmes, encouraging them to become global citizens. Since the launch of the “Bring Fair Trade to Your School” programme in 2010, we have integrated Fair Trade principles across various educational stages. From April 2023 to March 2024, we collaborated with over 60 schools, reaching nearly 6,000 students, and implemented multiple educational initiatives, including interactive workshops and community engagement activities. These efforts aim to enhance students’ understanding of Fair Trade and promote sustainable consumption values within their families and communities. These projects not only fostered students’ learning and growth but also laid a solid foundation for our future work.

Sustainable and Fair Future Through the Gaps

With an aim of raising general public’s awareness of fairness and sustainability in the aspect of environment and urban development through intergenerational collaboration, the “Sustainable and Fair Future Through the Gaps” project funded by the Environment and Conservation Fund, was completed successfully in January 2023. One of the routes starting from the Asia Society and ending at the Blue Mansion was designed by the cross-generational ambassadors. On 4 April 2023 they conducted a community tour for a group of 24 students from Christian Alliance Cheng Wing Gee College to appreciate sustainable designs of the old and new constructions, intergenerational integration and inclusion, as well as the needs of upholding fairness to the nature and preserving the heritage when we plan urban development and renewal.

Fair Trade Thematic Month @ Hon Wah College (Primary Section)

Hon Wah College invited FTHK to host Fair Trade Thematic Month as part of its General Studies curriculum for a total of 80 Primary Three students in October 2023. We conducted a sharing session on the topic of fast fashion, a body scrub workshop that made use of coffee ground, an Orange Farm simulation game to engage students with developing country simulations so that students get a chance to appreciate the hardship of the farmers that are difficult to capture in a PowerPoint slide, and a teacher-led project.

Fair Trade Thematic Week @ Sacred Heart Canossian School

Sacred Heart Canossian School had organized Fair Trade Thematic Week for five consecutive years in January 2024. In the last academic year, FTHK conducted a chocolate tasting workshop, a coffee ground body scrub making workshop, and an Orange Farm simulation game.

Fair Trade Thematic Day @ Maryknoll Convent School (Secondary Section)

On 29 June 2023, four classes of over 100 Form 4 students learnt Fair Trade and sustainability concepts through fun-filled workshops. We led the students doing paper making and tie-dye workshops using tea ground and coffee ground respectively, teaching them the significance of reducing food waste to lessen the burden of the landfill.

FAIR TRADE HONG KONG FOUNDATION LIMITED
REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

School Education Programmes (Cont'd)

Fair Trade Youth Leadership Programme

FTHK received the funding support from the Greater Bay Area Homeland Youth Community Foundation in March 2024 to organize “The Fair Trade Youth Leadership Programme”. The project aims to enhance participants’ understanding of sustainable development through various activities focusing on waste management and environmental protection. Students will attend lectures on Fair Trade and international environmental issues, deepening their awareness of these important topics. Each participating school will conduct five workshops on the use of recycled coffee grounds, including coffee ground dyeing, mosquito repellent, soap, candles and body scrubs. These workshops teach practical upcycling skills and minimizing food waste and encourage eco-friendly practices in daily life.

The project will invite a total of 60 students to visit the waste-to-energy plant operated by Guangda Environmental Protection Energy (Boluo), an investment of China Everbright International in Mainland China, to understand the operation and technology of today’s waste management, further enhancing their understanding of environmental protection and sustainable development. Overall, this programme aims to raise awareness among youth and inspire them to become future leaders in promoting sustainability.

Public Engagement and Promotion

“Spring Scroll and Cantonese Dialect” Project funded by the Intangible Cultural Heritage Office

The “Spring Scroll and Cantonese Dialect” project, organized by FTHK and presented by Intangible Cultural Heritage (ICH) Office, is a two-year project from January 2024 to December 2025, supported by the Intangible Cultural Heritage Funding Scheme. The project targets ethnic minority women, teaching them daily life Cantonese phrases, New Year greetings, spring scroll traditions and writing. This initiative aligns with Fair Trade principles of gender equality, helping ethnic minority women better integrate into the local community. From January to March 2024, we collaborated with a total of four NGOs and ethnic minority associations, conducting 25 classes for participants from various ethnic minority groups. Thus far the programme received positive feedback. The workshops will continue throughout 2024 and 2025.

Public Subscription Permits issued by the Social Welfare Department

For Promoting the concepts of Fair Trade to the public and providing ethical and sustainable options, FTHK conducted the following General Charitable Fund-raising Activities (GCFA) which were duly approved by the Social Welfare Department.

Public Subscription Permit No.: 2022/034/1 held during the period from 14 May 2022 to 15 May 2022

The gross income amount of HK\$8,710 minus gross expenditure incurred amount of HK\$1,543 came to a total excess of income over expenditure amount of HK\$7,167.

FAIR TRADE HONG KONG FOUNDATION LIMITED
REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

Public Subscription Permits issued by the Social Welfare Department (Cont'd)

Public Subscription Permit No.: 2022/076/1 held during the period from 17 September 2022 to 18 September 2022

The gross income amount of HK\$7,422 deducting gross expenditure incurred amount of HK\$1,000 reached an excess of income over expenditure amount of HK\$6,422.

RESULTS AND APPROPRIATIONS

The financial performance of the Foundation for the year and the state of the Foundation's affairs as at 31 March 2024 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:

| | |
|------------------|----------------------------------|
| HO Ambrose | |
| LAU Mei Yin | |
| LI Yiu Shing | (resigned on 15 December 2023) |
| MOK Ka Hon | |
| FONG Po Kiu | |
| LIN Chun Pong | |
| WONG Hiu Yee | |
| LEE Ka Man Betty | (appointed on 25 September 2024) |

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.

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.

FAIR TRADE HONG KONG FOUNDATION LIMITED
REPORT OF THE DIRECTORS (CONT'D)

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

It was resolved that Cheung Ka Ho Certified Public Accountant (Practising) expired and Join Us CPA Limited be appointed as an auditor of the Company to hold office until the conclusion of the next annual general meeting.

By order of the board



MOK Ka Hon
Chairman

Hong Kong,

19 DEC 2024

JOIN US CPA LIMITED CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)
臻亞會計師事務所有限公司

Unit B, 8/F., 235 Wing Lok Street Trade Centre,
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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 by guarantee)

Opinion

We have audited the financial statements of Fair Trade Hong Kong Foundation Limited (the "Foundation") set out on pages 10 to 16, which comprise the statement of financial position as at 31 March 2024, 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.

Other Matter

The financial statements of the Foundation for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 15 December 2023.

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.

JOIN US CPA LIMITED CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

臻亞會計師事務所有限公司

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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 by guarantee)

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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

JOIN US CPA LIMITED CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)
臻亞會計師事務所有限公司

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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 by guarantee)

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

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.

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.



Join Us CPA Limited
Certified Public Accountants (Practising)
CHEUNG Ka Ho
Practising Certificate Number: P06282

Hong Kong,

19 DEC 2024

FAIR TRADE HONG KONG FOUNDATION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

| | Notes | 2024 HK\$ | 2023 HK\$ |
|---------------------------------|-------|------------------------|-----------------------|
| REVENUE | 3 | 1,246,062 | 3,161,214 |
| OTHER REVENUE | 4 | 106,390 | 120,140 |
| ADMINISTRATIVE EXPENSES | | <u>(1,394,940)</u> | <u>(3,105,633)</u> |
| (DEFICITS)/SURPLUS BEFORE TAX | 5 | (42,488) | 175,721 |
| INCOME TAX EXPENSE | 6 | <u>-</u> | <u>-</u> |
| (DEFICITS)/SURPLUS FOR THE YEAR | 9 | <u><u>(42,488)</u></u> | <u><u>175,721</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 2024

| | Notes | 2024 HK\$ | 2023 HK\$ |
|----------------------------|-------|--------------|--------------|
| CURRENT ASSETS | | | |
| Other receivables | | 112,305 | 624,915 |
| Bank balances | | 506,970 | 179,260 |
| | | 619,275 | 804,175 |
| CURRENT LIABILITIES | | | |
| Accrued charges | | (15,250) | (10,000) |
| Other payables | | (50,000) | (97,662) |
| Amounts due to directors | 8 | (150,000) | (250,000) |
| | | (215,250) | (357,662) |
| NET ASSETS | | 404,025 | 446,513 |
| Represented by: | | | |
| ACCUMULATED SURPLUS | 9 | 404,025 | 446,513 |

Approved and authorised for issue by the board of directors on 19 DEC 2024

| | |
|--|--|
|  <hr style="width: 100%;"/> <p>MOK Ka Hon Director</p> |  <hr style="width: 100%;"/> <p>HO Ambrose Director</p> |
|--|--|

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 2024

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 and on the basis that the Company 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 and other income

Revenue and other income is recognised when it is probable that the economic benefits will flow to the Foundation and when the revenue and other income 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.

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

(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.

(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.

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

3 REVENUE

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

| | 2024 HK\$ | 2023 HK\$ |
|--|------------------|------------------|
| Sponsorship and event fee income | 399,985 | 212,406 |
| Grants from: | | |
| - The Hong Kong Jockey Club Charities Trust | - | 1,603,290 |
| - Environment and Conservation Fund | - | 550,378 |
| - DRS Richard Charles and Esther Yewpick Lee Charitable Foundation | - | 99,985 |
| Licensee fee income | 256,999 | 169,756 |
| General donation | 74,022 | 148,119 |
| Partnership fee income | 135,400 | 197,650 |
| Workshops income | 379,656 | 179,630 |
| Total revenue | <u>1,246,062</u> | <u>3,161,214</u> |

4 OTHER REVENUE

| | 2024 HK\$ | 2023 HK\$ |
|-----------------------------|----------------|----------------|
| Bank interest income | 790 | 140 |
| Government subsidies (note) | 105,600 | 120,000 |
| Total other revenue | <u>106,390</u> | <u>120,140</u> |

Note: Government subsidies represent funds from the HKSAR Government under the Intangible Cultural Heritage Funding Scheme and Employment Support Scheme under the Anti-epidemic Fund.

5 (DEFICITS)/SURPLUS BEFORE TAX

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

| | 2024 HK\$ | 2023 HK\$ |
|------------------------|----------------|------------------|
| Auditor's remuneration | | |
| - Statutory | 10,000 | 10,000 |
| - Projects | - | 10,800 |
| Staff costs | <u>953,763</u> | <u>1,131,505</u> |

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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 (2023: HK\$Nil).

8 AMOUNTS DUE TO DIRECTORS

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

9 CHANGES IN FUNDS

| | General fund HK\$ | Fair Trade Marketing Organisation HK\$ | Total funds HK\$ |
|---------------------------------|-------------------------|---|------------------------|
| At 1 April 2023 | (208,379) | 654,892 | 446,513 |
| (Deficits)/Surplus for the year | (299,487) | 256,999 | (42,488) |
| At 31 March 2024 | <u>(507,866)</u> | <u>911,891</u> | <u>404,025</u> |

10 COMMITMENTS UNDER OPERATING LEASE

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

| | 2024 HK\$ | 2023 HK\$ |
|-------------------------|---------------|---------------|
| Not later than one year | 10,500 | 94,500 |
| Later than one year | - | - |
| | <u>10,500</u> | <u>94,500</u> |

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised to issue by the Foundation's board of directors on
19 DEC 2024

FAIR TRADE HONG KONG FOUNDATION LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024
(For management information only)

| | 2024 | | 2023 | |
|--|---------|-----------------|-----------|----------------|
| | HK\$ | HK\$ | HK\$ | HK\$ |
| REVENUE | | | | |
| Sponsorship and event fee income | 399,985 | | 212,406 | |
| Grants from: | | | | |
| - The Hong Kong Jockey Club Charities Trust | - | | 1,603,290 | |
| - Environment and Conservation Fund | - | | 550,378 | |
| - DRS Richard Charles and Esther Yewpick Lee Charitable Foundation | - | | 99,985 | |
| Licensee fee income | 256,999 | | 169,756 | |
| General donation | 74,022 | | 148,119 | |
| Partnership fee income | 135,400 | | 197,650 | |
| Workshops income | 379,656 | | 179,630 | |
| | | 1,246,062 | | 3,161,214 |
| OTHER REVENUE | | | | |
| Bank interest income | 790 | | 140 | |
| Government subsidies (Note) | 105,600 | | 120,000 | |
| | | 106,390 | | 120,140 |
| ADMINISTRATIVE EXPENSES | | | | |
| Advertising | 1,600 | | 1,179 | |
| Auditor's remuneration | 10,000 | | 20,800 | |
| Bank charges | 2,535 | | 2,316 | |
| Insurance | 8,433 | | 18,197 | |
| IT expenses | 9,216 | | 4,800 | |
| Office supplies | 321 | | 6,723 | |
| Printing and stationery | 7,250 | | 22,600 | |
| Programme expenses | 144,135 | | 1,662,288 | |
| Rent | 139,383 | | 128,165 | |
| Secretarial fee | 2,105 | | 5,135 | |
| Staff benefits | 5,564 | | 3,168 | |
| Staff costs | 953,763 | | 1,131,505 | |
| Sundry expenses | 5,636 | | 25,522 | |
| Telecommunications | 1,390 | | 3,296 | |
| Training expenses | - | | 1,866 | |
| Transportation | 31,281 | | 29,114 | |
| Workshop material and procurement | 72,328 | | 38,959 | |
| | | (1,394,940) | | (3,105,633) |
| (DEFICITS)/SURPLUS BEFORE TAX | | (42,488) | | 175,721 |

Note: Government subsidies represent funds from the HKSAR Government under the Intangible Cultural Heritage Funding Scheme and Employment Support Scheme under the Anti-epidemic Fund.

