

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 2020

CHEUNG KA HO

CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

FAIR TRADE HONG KONG FOUNDATION LIMITED

CONTENT

PAGES

REPORT OF THE DIRECTORS	1 - 6
INDEPENDENT AUDITOR'S REPORT	7 - 9
INCOME AND EXPENDITURE ACCOUNT	10
STATEMENT OF FINANCIAL POSITION	11
ACCOUNTING POLICES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS	12 - 17

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 2020.

The past year was truly tough and difficult. Hong Kong has gone through social unrest and suffered from the global COVID-19 pandemic. Though the time was full of uncertainty and change, Fair Trade Hong Kong Foundation (FTHK) has never forgot its mission, being part of the global movement for trade justice.

The social distancing and other stringent measures to stop the widespread of the pandemic triggered us to seek another means to promote Fair Trade. Making use of digital tools, we were able to connect with our stakeholders remotely. Over the course of the past months, the organisation has demonstrated the effectiveness of conducting workshops on Livestream to raise our stakeholders' awareness of Fair Trade in these unprecedented times.

PRINCIPAL ACTIVITIES

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.

Marketing and Promotion

FTHK held different promotional events, such as award ceremony, bazaar, football competition, to draw public attention to tackle poverty and support the sustainable development of small producer organisations and agricultural workers in developing countries.

Date	Event	Target Audience
20 Sep 2019	Fair Trade Bazaar @TAG Aviation Asia	Staff of TAG Aviation
13 Oct 2019	Fair Trade Cup 2019 - 25 soccer teams participated, including 7 local women's teams (1 st division)	Corporates & Organizations
17 Dec 2019	ESG Seminar cum Fair Trade Corporate Label Award Ceremony 2019 - 40 corporates / traders awarded with different levels of Fair Trade Corporate Label Award	Corporates & Traders
18 Dec 2019	Fair Trade Bazaar @ASM	Staff of ASM
23-25 Oct 2020	Vegetarian Food Asia 2020 - FTHK has participated as an exhibitor	General Public
Oct 2020	The Wharf (Holdings) Limited - Online Coffee Ground Candle Workshop	Staff & Tenants

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

Marketing and Promotion (cont'd)

Date	Event	Target Audience
11-13 Nov 2020	Natural Organic Asia 2020 - Fair Trade Talk	General Public
Nov 2020	Kerry Properties Limited - Online Coffee Ground Workshop	Staff of Kerry Properties

With the generous support of the Hong Kong Jockey Club COVID-19 emergency fund, we received grant to provide essential relief to the mothers in the deprived community who had just given birth to newborns. Between April and July 2020, HK Electric and Landmark North of Sun Hung Kai Properties sent their volunteers to help to pack several hundreds of hygiene supplies, including home cleansing spray, hand sanitizer and cotton face covers. All these products were sourced from Fair Trade and organic suppliers and useful for the mothers who needed to bring their infants to the hospitals for necessary health check-up.

School Education Programmes

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

The programme has commenced since 2010 with a view to enhance students’ understanding of Fair Trade. Through various educational activities, including school talks and workshops, almost 5,000 primary and secondary students were reached through over 40 sessions.

Jockey Club Fair Trade School Award Scheme

Funded by The Hong Kong Jockey Club Charities Trust, The Jockey Club Fair Trade School Award Scheme (2019-2022), with a new scheme structure, was launched in September 2019. The scheme is to nurture a Fair Trade generation with an understanding of the Fair Trade issues and relevant skills to promote Fair Trade in schools and to the public. In view of the trend of overconsumption and the impact of fast fashion, which have created environmental problems and wastage, the scheme aims to initiate a deeper self-reflection on consumption behaviour.

The **Jockey Club Fair Trade School Award Scheme 2017-2019** was completed with an Award Ceremony held on 26 October 2019. Four schools had successfully completed all requirements and were entitled to the Fair Trade School Award. We extend our congratulations to below schools:

- HKMLC Queen Maud Secondary School
- Sha Tin Government Secondary School
- Holy Trinity College
- Leung Shek Chee College

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

School Education Programmes (cont'd)

The opening ceremony of the **Jockey Club Fair Trade School Award Scheme 2019-2022** was also held on the same day, with eight schools participating in the scheme (First batch), including:

- Heung To Secondary School
- Kowloon True Light School
- Shatin Methodist College
- SKH Lui Ming Choi Secondary School
- Ying Wa College
- The Chinese Foundation Secondary School
- SKH Tang Shiu Kin Secondary School
- ELCHK Lutheran Secondary School

During this period, 21 recruitment workshops were held for almost 3,000 students and over 20 teachers, in which concepts of Fair Trade and related global issues had been introduced. There were three sets of education materials specially designed for students working groups, focusing on the topics such as United Nations' Sustainable Development Goals (SDGs), poverty, climate change, and responsible production and consumption. As of 30 November 2020, 22 sessions of workshops and one thematic talk were conducted for the participating schools. Last but not least, one teacher workshop was held for teachers to let them learn more about the scheme, SDGs and the concepts of Fair Trade.

The recruitment for the second batch of schools started in early Academic Year 2020-2021, with eight schools enrolled, which are

- Tin Shui Wai Methodist College
- Hoi Ping Chamber of Commerce Secondary School
- St. Rose of Lima's College
- Kiangsu-Chekiang College (Kwai Chung)
- Carmel Alison Lam Foundation Secondary School
- HKFYG Lee Shau Kee College
- Shun Tak Fraternal Association Leung Kau Kui College
- Lions College

As of 30 November 2020, four sessions of online student workshops have been conducted. We expect such online arrangement will maintain in this remaining Academic Year 2020-21.

“Fairness under the Sun” Program funded by Environment and Conservation Fund

Thanks to the Environment and Conservation Fund, the project lasted from December 2018 to June 2020. Five recruitment exhibitions and 10 recruitment talks were held in the first round, that is, during January and February 2019, followed by 15 training workshops for student ambassadors from March to May 2019. After receiving the first round training, student ambassadors organized eight community tours, visiting different stakeholders in the renewable energy development industry. However, due to social unrest and the outbreak of COVID-19 in late 2019, a number of activities could not be held as planned.

For the second round of recruitment from September to November 2019, eight recruitment exhibitions and 13 recruitment talks were held in eight tertiary institutes, with the latter reaching almost 400 students. One exhibition was cancelled due to suspension of class in Lingnan University. The student ambassadors received four training workshops from December 2019 to January 2020, while five training workshops were scheduled and completed online in April and May 2020.

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

PRINCIPAL ACTIVITIES (CONT'D)

School Education Programmes (cont'd)

“Fairness under the Sun” Program funded by Environment and Conservation Fund (cont'd)

From June 2019 to November 2019, eight full-day community tours were conducted by student ambassadors for people from all walks of life, including students, community members and general public. In the tours, participants visited several solar energy facilities in private and government premises. Due to transport disruption, instead of a full day trip, it was split into two half-day community tours in December 2019 and January 2020 to Siu Ho Wan Waste Water Treatment Plant. However, for the second round of community tours, they could not be conducted due to the pandemic.

A total of 44 students from two schools were recruited and participated in workshops to learn about the roles of different stakeholders in reducing carbon emissions and understand climate injustice facing by least developed countries.

It was in the original plan that an award ceremony would be held to recognise partners, individuals, the community, environmental groups, organisations etc. for their effort and contribution in the project. However, in view of the severe pandemic outbreak, the event was regrettably cancelled.

Grooming for a Fair Trade Generation

Though 2020 has been fundamentally challenged long established certainties, we continue to provide internship opportunities for undergraduate students and offer them comprehensive training and development, spanning Fair Trade concept induction to the promotion of Fair Trade through social media platforms and video production. FTHK hopes that those who have gained invaluable experience from the internship will be the passionate Fair Trade advocates tomorrow.

RESULTS AND APPROPRIATIONS

The financial performance of the Foundation for the year and the state of the Foundation's affairs as at 31 March 2020 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.

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

DIRECTORS

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

LEUNG Pui Fung
YIP Pui Wah, Miranda
CHEUNG Yat Sum, Maria
HO Ambrose
LAU Mei Yin
LI Yiu Shing
Lloyd Alison Elizabeth (resigned on 24 September 2019)

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.

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 Messrs. Bentleys C.P.A. Company Limited expired and 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.

FAIR TRADE HONG KONG FOUNDATION LIMITED

REPORT OF THE DIRECTORS (CONT'D)

LOOKING AHEAD

It is most likely that across the world, new normal would remain in place for a period of time whereas workplaces and practices inevitably have had to adapt to halt the spread of the virus. Yet, indubitably FTHK will continue to make our hard effort to continue promoting Fair Trade and adjust our Fair Trade movement activities to reflect what we aspire to be.

Let's join hands to make the world fairer!

By order of the board

A handwritten signature in blue ink, appearing to be '李耀成' (Li Yiu Shing), written in a cursive style.

LI Yiu Shing

Hong Kong,

31 December 2020

CHEUNG KA HO CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)
張家豪執業會計師

Room 1602, 16th Floor, Multifield Commercial Centre,
426 Shanghai Street, Mongkok, Kowloon

九龍旺角上海街426號
萬事昌中心16樓1602室

Tel 電話: (852) 6475 4966
Email 電郵: jacky.cheung@joinusaccounting.com

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 10 to 17, which comprise the statement of financial position as at 31 March 2020, 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 2020, the Foundation's total liabilities exceeded its total assets by HK\$588,164. 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FAIR TRADE HONG KONG FOUNDATION LIMITED (CONT'D)
(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.

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.

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

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

- 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.



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

Hong Kong

31 December 2020

FAIR TRADE HONG KONG FOUNDATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	NOTES	2020 HK\$	2019 <i>Restated</i> HK\$
REVENUE	3	1,779,283	2,230,096
OTHER REVENUE	4	5,951	3,564
OTHER NET LOSS		(211)	-
ADMINISTRATIVE EXPENSES		(2,339,976)	(2,516,319)
DEFICIT BEFORE TAX	5	(554,953)	(282,659)
INCOME TAX EXPENSE	6	-	-
DEFICIT FOR THE YEAR	10	<u>(554,953)</u>	<u>(282,659)</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 2020

	NOTES	2020 HK\$	2019 <i>Restated</i> HK\$
CURRENT ASSETS			
Other receivable		264,988	-
Cash at bank		50,550	374,131
		<hr/>	<hr/>
		315,538	374,131
		<hr/>	<hr/>
CURRENT LIABILITIES			
Amounts due to directors	8	520,000	400,000
Bank overdraft	9	168,315	1,342
Accrued charges		98,125	6,000
Other payables		117,262	-
		<hr/>	<hr/>
		903,702	407,342
		<hr/>	<hr/>
NET LIABILITIES		(588,164)	(33,211)
		<hr/>	<hr/>
Represented by:			
ACCUMULATED DEFICIT	10	(588,164)	(33,211)
		<hr/>	<hr/>

Approved and authorised for issue by the board of directors on 31 December 2020.



LI Yiu Shing
Director



LAU Mei Yin
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 2020

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

In previous years the Foundation prepared financial statements in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong.

Under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622), the Foundation qualifies for the reporting exemption as a company limited by guarantee 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 HKICPA. This is the first year that the Foundation takes advantage of the reporting exemption and adopts SME-FRS in its financial statements. Accordingly, these financial statements have been prepared in accordance with the SME-FRS and the requirements of the Hong Kong Companies Ordinance.

The transition from HKFRSs to SME-FRS has been accounted for retrospectively as if SME-FRS had always been adopted. There is no material difference between net liabilities as reported in the previous HKFRS financial statements and net liabilities as reported in these SME-FRS financial statements.

The Foundation incurred a net deficit of HK\$554,953 during the year ended 31 March 2020 and, as at that date, the Foundation's total liabilities exceeded its total assets by HK\$588,164. 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.

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

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 and expenditure account 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 2020

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.

3. REVENUE

	2020	2019
	HK\$	<i>Restated</i> HK\$
Sponsorship and event fee income	539,495	854,047
Grants from:		
- The Hong Kong Jockey Club Charities Trust	728,108	551,413
- Environment and Conservation Fund	185,230	416,768
- Oxfam Hong Kong	-	26,757
Licensee fee income	256,613	286,766
General donation	54,237	16,803
Partnership fee income	15,600	77,542
	<hr/>	<hr/>
	1,779,283	2,230,096
	=====	=====

4. OTHER REVENUE

	2020	2019
	HK\$	<i>Restated</i> HK\$
Bank interest income	58	64
Sundry income	5,893	3,500
	<hr/>	<hr/>
	5,951	3,564
	=====	=====

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. DEFICIT BEFORE TAX

Deficit before tax is arrived at after charging:

	2020	2019 <i>Restated</i>
	HK\$	HK\$
Bank overdraft interest	18	9
Exchange losses, net	211	-
Staff costs (including directors' remuneration)	1,229,992	1,235,252
	<u>=====</u>	<u>=====</u>

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(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	2020	2019 <i>Restated</i>
	HK\$	HK\$
Fees	Nil	Nil
Other emoluments	Nil	Nil
	<u>=====</u>	<u>=====</u>

8. AMOUNTS DUE TO DIRECTORS

The amounts 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 2020

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 2019	845,170	(1,041,841)	(78,812)	(8,900)	4,116	(198,362)	168,271	277,147	(33,211)
Deficit for the year	(554,953)	-	-	-	-	-	-	-	(554,953)
Transfers	521,258	(574,781)	163,514	-	-	155,909	-	(265,900)	-
At 31 March 2020	811,475	(1,616,622)	84,702	(8,900)	4,116	(42,453)	168,271	11,247	(588,164)

FAIR TRADE HONG KONG FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current year's presentation.

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised to issue by the Foundation's board of directors on 31 December 2020.

FAIR TRADE HONG KONG FOUNDATION LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

(For management information only)

	2020		2019	
	HK\$	HK\$	HK\$	HK\$
REVENUE				
Sponsorship and event fee income	539,495		854,047	
Grants from:				
- The Hong Kong Jockey Club Charities Trust	728,108		551,413	
- Environment and Conservation Fund	185,230		416,768	
- Oxfam Hong Kong	-		26,757	
Licensee fee income	256,613		286,766	
General donation	54,237		16,803	
Partnership fee income	15,600		77,542	
		1,779,283		2,230,096
OTHER REVENUE				
Bank interest income	58		64	
Sundry income	5,893		3,500	
		5,951		3,564
OTHER NET LOSS				
Exchange losses, net		(211)		-
ADMINISTRATIVE EXPENSES				
Staff costs	1,229,992		1,235,252	
Programme expenses	586,349		799,568	
Advertising	244,614		168,666	
Rent	126,375		132,109	
Insurance	61,194		16,363	
Sundry expenses	27,706		27,392	
Printing and stationery	25,802		79,330	
Auditor's remuneration	9,000		7,695	
Transportation	8,943		13,063	
Accounting fee	8,000		2,000	
Telecommunications	6,750		9,913	
Secretarial fee	3,855		2,730	
Bank charges	1,378		1,703	
Bank overdraft interest	18		9	
Staff benefits	-		20,526	
		(2,339,976)		(2,516,319)
DEFICIT BEFORE TAX		<u>(554,953)</u>		<u>(282,659)</u>