

大圓覺香港妙吉祥功德會有限公司

**MANJUSHRI MERIT FOUNDATION, HONG KONG BRANCH OF DA
YUAN JUE MERIT FOUNDATION COMPANY LIMITED**

(Limited by Guarantee and not having a Share Capital)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

MICHAEL M. C. CHAN & CO.
Certified Public Accountants (Practising)

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大圓覺香港妙吉祥功德會有限公司
MANJUSHRI MERIT FOUNDATION, HONG KONG BRANCH OF DA YUAN JUE MERIT
FOUNDATION COMPANY LIMITED
("The Society")
(LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of the Society for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Society are to promote and support Buddhism activities.

BUSINESS REVIEW

The Society falls within the reporting exemption under Section 359(1)(a) of the Companies Ordinance. Accordingly it is exempted from preparing a business review.

ACCOUNTS

The result of the Society for the year ended 31 March 2024 are set out on Pages 7 to 11.

DIRECTORS

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

CHAN Chi Fai
CHOY Ming Hing
CHUI Choi Hung
FOK Yu Hung
LAI Fung Yee
NG Siu Fung April
TAM Wing Fun
WONG Shi Ming
ZENG Yan

All directors retire in accordance with Clause 49 of the Society's Articles of Association, but being eligible offer themselves for re-election.

No contract of significance to which the Society was a party and in which a director of the Society had a material interest subsisted at the end of the year or at any time during the year.

EQUITY-LINKED AGREEMENT

The Society did not enter into any equity-linked agreement throughout the year.

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DIRECTORS' REPORT

AUDITORS

These financial statements were audited by Michael M. C. Chan & Co. who retire and offer for re-appointment.

On behalf of the Board,



ZENG Yan

Chairman

Hong Kong : 20 January 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MANJUSHRI MERIT FOUNDATION, HONG KONG BRANCH OF DA YUAN JUE MERIT
FOUNDATION COMPANY LIMITED <大圓覺香港妙吉祥功德會有限公司>
("The Society")**

(Incorporated in Hong Kong as a company limited by guarantee and not having a Share Capital)

Opinion

We have audited the financial statements of Manjushri Merit Foundation, Hong Kong Branch of Da Yuan Jue Merit Foundation Company Limited <大圓覺香港妙吉祥功德會有限公司> ("the Society") set out on Pages 7 to 11, which comprise the statement of financial position at 31 March 2024, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Society are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by 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 PN900 (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 Society in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the directors' report set out on Pages 2 and 3, which do not constitute the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MANJUSHRI MERIT FOUNDATION, HONG KONG BRANCH OF DA YUAN JUE MERIT
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In preparing the financial statements, the directors are responsible for assessing the Society'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 Society or to cease operations, or to have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance (Chapter 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

MICHAEL M.C. CHAN & CO. Certified Public Accountants. Hong Kong.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MANJUSHRI MERIT FOUNDATION, HONG KONG BRANCH OF DA YUAN JUE MERIT
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- 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 that relates to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may identify during our audit.



Michael M. C. Chan & Co.
Certified Public Accountants
Practising Certificate number: 0496
Room 2401, 280 Portland Street Commercial Building,
276-280 Portland Street, Mongkok,
Kowloon, Hong Kong
Hong Kong: 20 January 2025

大圓覺香港妙吉祥功德會有限公司
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INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024
(Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
INCOME	2		
Donation income		338,247.06	176,383.65
Membership subscription		1,000.00	1,000.00
Bank interest received		879.12	258.85
		340,126.18	177,642.50
EXPENDITURE			
Audit fee		6,000.00	6,000.00
Bank charge		1,426.20	1,695.00
Charity activities expenses		84,265.95	6,199.28
Elderly Event expenses		6,600.00	1,585.00
Hot meal delivery services expenses		49,861.42	38,361.85
Student grant paid		91,683.13	64,071.21
Depreciation		368.00	3,145.20
Donation		-	54,248.00
Exchange loss		220.02	339.29
Printing and stationery		44.00	914.00
Legal and professional fee		1,900.00	1,000.00
Sundry expenses		11,780.00	1,205.00
Telecommunication		1,836.19	3,313.54
		255,984.91	182,077.37
Surplus / (deficit) for the year		84,141.27	(4,434.87)

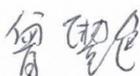
The annexed notes form an integral part of these financial statements.

大圓覺香港妙吉祥功德會有限公司
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STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024
 (Expressed in Hong Kong Dollars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Non-current assets			
Plant and equipment	5	1,472.00	-
Current assets			
Prepayment		1,068.22	2,388.86
Bank and cash balances		434,767.62	327,130.73
		435,835.84	329,519.59
Deduct: Current liabilities			
Receipt in advance		2,000.00	3,000.00
Accounts payable		30,646.98	6,000.00
		32,646.98	9,000.00
Net current assets		403,188.86	320,519.59
TOTAL NET ASSETS		404,660.86	320,519.59
Members' funds			
Opening balance		320,519.59	324,954.46
Surplus / (deficit) for the year		84,141.27	(4,434.87)
Closing balance		404,660.86	320,519.59



ZENG Yan

Director

Date: 20 January 2025



CHOY Ming Hing

Director

Date: 20 January 2025

The annexed notes form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND FINANCIAL REPORTING STANDARD

a. General

The Society was incorporated on 7 October 2015 as a company limited by guarantee.

The Society's registered office is currently located at Flat A, 1/F., Por Mee Factory Building, 500 Castle Peak Road, Kowloon, Hong Kong.

The Society is an approved charitable institution (Inland Revenue Department reference is 91/14785). The principal activities of the Society are to promote and support Buddhism activities.

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

b. Going concern

As the directors are of the opinion that the Society can continue to obtain financial support from its members, these financial statements have been prepared on a going concern basis.

c. Financial reporting standard

The Society qualifies for the reporting exemption as a small private company under Sections 359(1)(a) of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with 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 all applicable sections of 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 basis adopted is historical cost convention.

2. PRINCIPAL ACCOUNTING POLICIES

a. Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the company and when revenue can be measured reliably as follows:-

- i) Donation income is recognized as income upon receipt;
- ii) Membership subscription income is recognized when an admission of a new member is granted. There is no annual subscription from existing members. Discretionary advance subscription received from members is recognized as income in accordance with the year to which the subscription relates;
- iii) Interest income is recognised on a time apportioned basis taking into account the principal outstanding and the interest rate applicable;
- iv) Sundry income is recognised upon receipt.

b. Foreign exchange

The Society's functional and reporting currency in the Society is Hong Kong Dollar. Foreign currency transactions are converted into Hong Kong Dollar at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollar using exchange rates applicable at the date of the statement of financial position. Gains and losses on foreign exchange rate are recognised in the income statement.

c. Taxation

As the Society is exempt from paying tax under Section 88 of the Inland Revenue Ordinance, no provision for Hong Kong profits tax has been made in these financial statements.

d. Property, plant and equipment

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life of the assets using the straight-line method. The annual rates used for depreciation are as follows:

Furniture and equipment	20%
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e. Impairment of assets

An assessment is made at each reporting date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognised in the income statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

3. DIRECTORS' REMUNERATIONS

No remuneration has been paid or becomes payable to the directors in respect of their office for the year.

4. CHANGES IN MEMBERS' FUNDS

No separate statement on changes of members' funds has been presented because the changes are same as the members' funds in the statement of financial position.

5. PLANT AND EQUIPMENT

Furniture and equipment

	<u>2024</u>	<u>2023</u>
Cost:		
At 1 April 2023	67,358.00	67,358.00
Additions	1,840.00	-
Disposals	-	-
At 31 March 2024	<u>69,198.00</u>	<u>67,358.00</u>
Accumulated depreciation		
At 1 April 2023	67,358.00	64,212.80
Depreciation for the year	368.00	3,145.20
Written back on disposal	-	-
At 31 March 2024	<u>67,726.00</u>	<u>67,358.00</u>
Net carrying amount:		
At 31 March 2024	<u><u>1,472.00</u></u>	<u><u>-</u></u>