

DOTKIDS FOUNDATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 12 MAY 2020 (DATE OF INCORPORATION)
TO 30 SEPTEMBER 2021



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DOTKIDS FOUNDATION LIMITED
DIRECTORS' REPORT
FOR THE PERIOD FROM 12 MAY 2020 (DATE OF INCORPORATION)
TO 30 SEPTEMBER 2021

The directors present their first report and the audited financial statements of DotKids Foundation Limited ("the Company") for the period from 12 May 2020 (date of incorporation) to 30 September 2021 on pages 6 to 10.

Principal activities

The principal activities of the Company are (1) operating the domain name registry for the ".KIDS" internet top-level domain; (2) organizing and supporting community projects with charitable purposes that fulfill its mandate of promoting the well-being and rights of children, especially on the Internet; and, (3) promoting general awareness of the ".KIDS" internet top-level domain and the community activities of the DotKids Foundation.

Directors

The directors during the financial period and up to the date of this report were:

CHUNG, Edmon Wang On	(Initial director appointed on 12 May 2020)
CHAN, Yuk Ying Rebecca	(Initial director appointed on 12 May 2020)

The directors are staff representatives from the sole member DotAsia Organisation Limited. As stated in Clause 20 of the Company's Articles, the initial directors shall retire at an annual general meeting held within 36 months after the date of execution of the contract between Internet Corporation for Assigned Names and Numbers ("ICANN") and the Company granting the Company the right to operate the registry of ".kids".

Permitted indemnity provisions

During the year and up to the date of this report, a permitted indemnity provision for the benefit of the Company's directors was in force. An appropriate insurance cover for the directors' liability has been arranged in respect of legal actions against its directors arising out of corporate activities.

Management contracts

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

Reporting exemption

The Company falls within the reporting exemption for the financial period under section 359(1) of the Hong Kong Companies Ordinance. Accordingly, the Company is exempted from preparing a business review and disclosing certain information as required in section 388(1) of the Hong Kong Companies Ordinance.

**DOTKIDS FOUNDATION LIMITED
DIRECTORS' REPORT
FOR THE PERIOD FROM 12 MAY 2020 (DATE OF INCORPORATION)
TO 30 SEPTEMBER 2021**

Auditor

On 30 December 2021, Abacus CPA Limited, Certified Public Accountants was appointed as an auditor of the Company. A resolution for the re-appointment of Abacus CPA Limited, Certified Public Accountants as the Company's auditor is to be proposed at the forthcoming annual general meeting.

On behalf of the Board



CHUNG, Edmon Wang On

Director

26 February 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DOTKIDS FOUNDATION LIMITED**
(incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of DotKids Foundation Limited ("the Company") set out on pages 6 to 10, which comprise the statement of financial position as at 30 September 2021, and the income statement for the period from 12 May 2020 (date of incorporation) to 30 September 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information, other than 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.

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.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DOTKIDS FOUNDATION LIMITED**
(incorporated in Hong Kong and limited by guarantee)

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(to be continued)



ABACUS CPA LIMITED
安柏思會計師有限公司

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DOTKIDS FOUNDATION LIMITED**
(incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company to cease to continue as a going concern.

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

ABACUS CPA LIMITED
Certified Public Accountants
Hong Kong, 26 February 2022

Fung Wing Lap
Practising Certificate Number P03644

EF/A2/JL

A Member Firm of CAS International

DOTKIDS FOUNDATION LIMITED
INCOME STATEMENT
FOR THE PERIOD FROM 12 MAY 2020 (DATE OF INCORPORATION)
TO 30 SEPTEMBER 2021

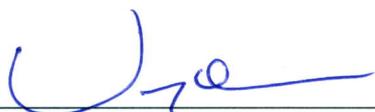
	Note	USD
Revenue	3	-
General and administrative expenses		<u>(115)</u>
Deficit before tax		(115)
Income tax expenses	5	<u>-</u>
Deficit for the period		<u><u>(115)</u></u>

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

DOTKIDS FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2021

	Note	USD
Current assets		
Account receivable	6	<u>18,400</u>
Current liabilities		
Due to the sole member	7	<u>(18,515)</u>
Net liabilities		<u><u>(115)</u></u>
Equity		
Accumulated funds	8	<u><u>(115)</u></u>

Approved on behalf of the Board by:



 CHUNG, Edmon Wang On
 Director



 CHAN, Yuk Ying Rebecca
 Director

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

DOTKIDS FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 12 MAY 2020 (DATE OF INCORPORATION) TO 30 SEPTEMBER 2021

1. Reporting entity

DotKids Foundation Limited (“the Company”) is a company incorporated in Hong Kong as a company limited by guarantee and not having a share capital. The Company’s registered office is located at 12/F, Daily House, 35-37 Haiphong Road, Tsim Sha Tsui, Kowloon, Hong Kong. The principal activities of the Company are (1) operating the domain name registry for the “.KIDS” internet top-level domain; (2) organizing and supporting community projects with charitable purposes that fulfill its mandate of promoting the well-being and rights of children, especially on the Internet; and, (3) promoting general awareness of the “.KIDS” internet top-level domain and the community activities of the DotKids Foundation.

The sole member of the Company is DotAsia Organisation Limited.

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) Foreign exchange

The reporting currency of the Company is United States Dollars (“USD”), unless otherwise stated. Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into USD using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(b) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is not provided.

(c) Trade and other receivables

Trade and other 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 statement.

DOTKIDS FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 12 MAY 2020 (DATE OF INCORPORATION) TO 30 SEPTEMBER 2021

3. Revenue

The Company has no revenue during the period.

4. Directors' remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance is as follows:

	USD
Fees	-
Other emoluments	-
Retirement benefits	-
	<u>-</u>
	<u>-</u>

5. Income tax expense

No Hong Kong Profits Tax has been provided for the period as the Company incurred a loss for the period.

6. Account receivable

Account receivable disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance is as follows:

	2021 USD	Greatest amount outstanding during the period USD
Related company		
ER3 Limited	<u>18,400</u>	<u>18,400</u>

The account receivable is unsecured, interest-free and has no fixed repayment terms.

CHUNG, Edmon Wang On and CHAN, Yuk Ying Rebecca, directors of the Company, are also the directors of the related company.

7. Due to the sole member

The balance due to the sole member is unsecured, interest free and has no fixed repayment terms.

DOTKIDS FOUNDATION LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 12 MAY 2020 (DATE OF INCORPORATION) TO 30 SEPTEMBER 2021

8. Changes in equity – Accumulated Funds

	USD
Deficit for the period	<u>(115)</u>
At 30 September 2021	<u>(115)</u>

9. Other material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Company had the following transactions with related parties:

	USD
Fund transferred from the sole member to a related company	<u>18,400</u>

10. Comparative figures

No comparative figures have been produced as the first set of financial statements cover from the date of incorporation to 30 September 2021.

11. Approval of financial statements

These financial statements were approved and authorised for issue by the Company's Board of Directors on 26 February 2022.