

WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG

STATEMENTS OF ACCOUNTS

Year ended 31 March 2021

楊少銓會計師事務所
ALBERT S. C. YOUNG & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF
WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

Opinion

We have audited the financial statements of Women's Welfare Club, Western District, Ap Lei Chau Day Nursery, Hong Kong ("the Day Nursery") set out on pages 3 to 13, which comprise the statement of financial position as at 31 March 2021, and 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 Day Nursery 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 PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the SME-FRS 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 Day Nursery in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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 committee are responsible for the other information 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.

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 the committee for the financial statements

The committee of the Day Nursery 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 committee 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 committee are responsible for assessing the Day Nursery'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 committee either intend to liquidate the Day Nursery or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF
WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

Auditor's responsibilities for the audit of the financial statements

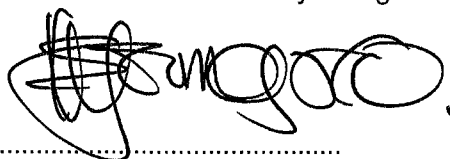
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 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 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 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 Day Nursery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by committee.
- Conclude on the appropriateness of the committee's 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 Day Nursery'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 Day Nursery 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.



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Albert S. C. Young & Company,
Certified Public Accountants.

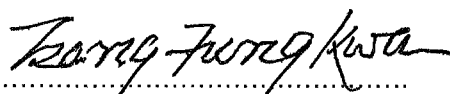
Hong Kong, 11 October 2021

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

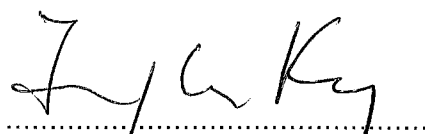
STATEMENT OF FINANCIAL POSITION as at 31 March 2021

	<u>Note</u>	\$	<u>2021</u> \$	<u>2020</u> \$
<u>NON-CURRENT ASSETS</u>				
Property, plant and equipment	7		96,940	25,380
<u>CURRENT ASSETS</u>				
Cash at bank -				
Current account		163,481		146,564
Savings accounts		217,628	381,109	217,626
		478,049	478,049	389,570
Representing:-				
<u>(DEFICIT)/SURPLUS RETAINED</u>				
Integrated programme unit I	9	(5,320)		(4,152)
Integrated programme unit II	9	(5,321)		(4,153)
Occasional child care service I	9	63,747		(29,167)
Extended hours service unit	9	40,883	93,989	30,987
		478,049	478,049	389,570
<u>LSG RESERVE FUND</u>				
	9		384,060	396,055
			478,049	389,570

Approved on behalf of the Committee by:



Tsang Fung Kwan
Chairman



Fong Man Kay
Treasurer

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

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG
(INTEGRATED PROGRAMME UNIT I)**

INCOME STATEMENT
For the year ended 31 March 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>INCOME</u>		
Subventions from SWD	406,063	371,123
	406,063	371,123
	406,063	371,123
<u>EXPENDITURE</u>		
<u>Personal Emoluments</u>		
Salaries	361,810	329,370
Mandatory provident fund contributions	16,061	14,650
	377,871	344,020
<u>Other Charges</u>		
Audit fee	1,500	1,500
Cleaning	-	1,475
Food	147	-
Insurance	2,024	1,900
Minor purchases	399	-
Printing and stationery	4,932	6,660
Programme expenses	-	165
Teaching materials	15,088	17,429
	24,090	17,429
<u>Depreciation</u>	9,422	2,126
	411,383	375,275
	411,383	375,275
<u>Deficit for the year</u>	(5,320)	(4,152)

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

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG
(INTEGRATED PROGRAMME UNIT II)**

INCOME STATEMENT
For the year ended 31 March 2021

		<u>2021</u>	<u>2020</u>
		\$	\$
<u>INCOME</u>			
Subventions from SWD		406,062	371,123
		406,062	371,123
		406,062	371,123
<u>EXPENDITURE</u>			
<u>Personal Emoluments</u>			
Salaries	361,810		329,370
Mandatory provident fund contributions	16,061	377,871	14,651
<u>Other Charges</u>			
Audit fee	1,500		1,500
Cleaning	-		1,475
Food	147		-
Insurance	2,024		1,899
Minor purchases	399		-
Printing and stationery	4,932		6,660
Programme expenses	-		165
Teaching materials	15,088	24,090	17,430
<u>Depreciation</u>			
		9,422	2,126
		411,383	375,276
		411,383	375,276
<u>Deficit for the year</u>		(5,321)	(4,153)

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

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG
(OCCASIONAL CHILD CARE SERVICE I)**

INCOME STATEMENT
For the year ended 31 March 2021

		<u>2021</u>	<u>2020</u>
		\$	\$
<u>INCOME</u>			
Fees		3,849	37,051
Subventions from SWD		165,570	156,161
		169,419	193,212
		169,419	193,212
<u>EXPENDITURE</u>			
<u>Personal Emoluments</u>			
Salaries	95,408		169,526
Mandatory provident fund contributions	4,770	100,178	8,476
	95,408		
<u>Other Charges</u>			
Audit fee	3,000		3,000
Cleaning	661		-
Food	345		4,257
Insurance	903		1,248
Minor purchases	-		16,140
Programme expenses	-		14,912
Printing and stationery	-		880
Sundry expenses	585		-
Teaching materials	-	5,494	3,940
	-	5,494	3,940
		105,672	222,379
		105,672	222,379
<u>Surplus/(deficit) for the year</u>		63,747	(29,167)

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

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG
(EXTENDED HOURS SERVICE UNIT)**

INCOME STATEMENT
For the year ended 31 March 2021

		<u>2021</u>	<u>2020</u>
		\$	\$
<u>INCOME</u>			
Fees		2,834	26,416
Subventions from SWD		316,685	290,492
		319,519	316,908
		319,519	316,908
<u>EXPENDITURE</u>			
<u>Personal Emoluments</u>			
Salaries	251,078		240,593
Mandatory provident fund contributions	10,703	261,781	10,802
		261,781	10,802
<u>Other Charges</u>			
Audit fee	3,000		3,000
Cleaning	1,147		4,220
Food	1,956		8,053
Insurance	850		1,076
Printing and stationery	-		70
Sundry expenses	585		-
Teaching materials	7,516	15,054	10,524
		15,054	10,524
<u>Depreciation</u>			
		1,095	1,095
<u>Administrative support</u>			
		12,000	12,000
		12,000	12,000
		289,930	291,433
<u>Surplus for the year</u>			
		29,589	25,475

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

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

NOTES TO THE FINANCIAL STATEMENTS

1. General

The Day Nursery is an affiliation under Women's Welfare Club, Western District, Hong Kong which is an approved charitable institution. The principal activities of the Day Nursery are to provide child care, food and other services to the child.

The address of the Day Nursery is No. 1-12, G/F., Lei Ning Hse, Ap Lei Chau Estate West, Aberdeen, Hong Kong.

2. Basis of preparation and accounting policies

The Day Nursery 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 have been prepared in accordance with accounting requirements of the Social Welfare Department Notes on Accounting for Subvented Welfare Agencies and these financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Day Nursery 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 recognition

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

- Subventions from Social Welfare Department (SWD) is recognised when it is received from Agency.
- Other revenue is recognised when the amount is received.
- Interest income from bank deposits is accrued on a time basis.
- Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

(b) Foreign exchange

The reporting currency of the Day Nursery is Hong Kong Dollars, which is the currency of the primary economic environment in which the Day Nursery 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 statement.

(c) Property, plant and equipment

In prior years, furniture and equipment are stated at a nominal value of \$1. This value is taken as the deemed cost brought forward. Additions are stated at cost less accumulated depreciation calculated on a straight line basis to write off the assets over their estimated useful lives of 4 years.

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of preparation and accounting policies (continued)

(d) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to 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.

(e) 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.

(f) Provisions

Provisions are recognised when the Day Nursery has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Day Nursery expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(g) Employee benefits

The Day Nursery participates in a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of financial position as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Day Nursery in an independently administered fund. The Day Nursery's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Day Nursery operates a defined contribution scheme for its employees, the assets of which are held separately from those of the Day Nursery in an independently administered fund. Contributions are made based on a percentage of the eligible employees' salaries and are charged to the statement of financial position as they become payable in accordance with the rules of the scheme. When an employee leaves the scheme prior to his/her interest in the Day Nursery employer contributions vesting fully, the ongoing contributions payable by the Day Nursery may be reduced by the relevant amount of forfeited contributions.

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

NOTES TO THE FINANCIAL STATEMENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
3. <u>(Deficit)/surplus for the year</u>		
(Deficit)/surplus for the year is stated after charging the followings:		
Auditor's remuneration		
- Integrated programme unit I	1,500	1,500
- Integrated programme unit II	1,500	1,500
- Occasional child care service I	3,000	3,000
- Extended hours service unit	3,000	3,000
Staff costs:		
Salaries and allowance		
- Integrated programme unit I	361,810	329,370
- Integrated programme unit II	361,810	329,370
- Occasional child care service I	95,408	169,526
- Extended hours service unit	251,078	240,593
MPF contributions		
- Integrated programme unit I	16,061	14,650
- Integrated programme unit II	16,061	14,651
- Occasional child care service I	4,770	8,476
- Extended hours service unit	10,703	10,802
Depreciation		
- Integrated programme unit I	9,422	2,126
- Integrated programme unit II	9,422	2,126
- Extended hours service unit	1,095	1,095
	1,500	1,500

4. Directors' remuneration

Remuneration to directors disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Chapter 622) is as follows:

Fees	-	-
Other emoluments	-	-
	-	-

5. During the year, the Nursery paid administrative support of \$12,000 (2020: \$12,000) to Women's Welfare Club, Western District, Hong Kong ("Agency").

6. LSG reserve fund

Interest income	2	233
Expenditure	-	-
	2	233

LSG represents Lump Sum Grant.

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

NOTES TO THE FINANCIAL STATEMENTS

7. Property, plant and equipment

	<u>Furniture and equipment</u> \$	<u>Computer hardware and software</u> \$	<u>Total</u> \$
At cost -			
At 31.3.2020	36,066	6,698	42,764
Additions	91,500	-	91,500
At 31.3.2021	<u>127,566</u>	<u>6,698</u>	<u>134,264</u>
Accumulated depreciation and impairment losses -			
At 31.3.2020	16,547	837	17,384
Charges for the year	18,265	1,675	19,940
At 31.3.2021	<u>34,812</u>	<u>2,512</u>	<u>37,324</u>
Net book value -			
At 31.3.2021	<u>92,754</u>	<u>4,186</u>	<u>96,940</u>
At 31.3.2020	<u>19,519</u>	<u>5,861</u>	<u>25,380</u>

	<u>2021</u> \$	<u>2020</u> \$
8. <u>Government grant and subsidy</u>		
(i) <u>Time-defined subsidy</u>		
Three-year Time-defined subsidy scheme -		
Subsidy received		
Organisation-based Extended Hours Service (EHS) in Pre-primary Institutions (PPIs) (Time-defined 31/8/2021)	11,357	11,357
Less:		
Expenditures for the year		
Organisation-based Extended Hours Service (EHS) in Pre-primary Institutions (PPIs) (Time-defined 31/8/2021)	(63)	(5,845)
Surplus for the year	<u>11,294</u>	<u>5,512</u>

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

NOTES TO THE FINANCIAL STATEMENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
8. <u>Government grant and subsidy</u>		
(ii) <u>Special Grant to Set up Preventive Measures against the Spread of Severe Respiratory Disease associated with a Novel Infectious Agent</u>		
Total allocation made to the organization (1st and 2nd round)	-	10,000
Less:	-----	-----
Amount of resources spent on the following items:		
Purchase of personal protective equipment	-	250
Purchase of disinfection supplies	-	9,750
Total expenditures	-----	-----
Amount of unspent allocation	-----	-----
(iii) <u>Special Grant to Set up Preventive Measures against the Spread of Coronavirus Disease 2019 (COVID-19)</u>		
Total allocation made to the organization (3rd to 5th round)	30,000	-
Less:	-----	-----
Amount of resources spent on the following items:		
Purchase of personal protective equipment	15,866	-
Purchase of disinfection supplies	6,334	-
Hiring services	7,800	-
Total expenditures	-----	-----
Amount of unspent allocation	-----	-----

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT,
AP LEI CHAU DAY NURSERY, HONG KONG**

NOTES TO THE ACCOUNTS

9. Changes in funds

	Integrated programme unit I \$	Integrated programme unit II \$	Occasional child care service I \$	Extended hours service unit Non Time-defined Subsidy \$	Time-defined Subsidy \$	LSG reserve fund \$	Total \$
Balance at 31 March 2020	(4,152)	(4,153)	(29,167)	25,475	5,512	396,055	389,570
Total surplus/(deficit) for the year	(5,320)	(5,321)	63,747	29,589	11,294	2	93,991
Surplus recovery by SWD	-	-	-	-	(5,512)	-	(5,512)
Transfer of funds	4,152	4,153	29,167	(25,475)	-	(11,997)	-
Balance at 31 March 2021	<u>(5,320)</u>	<u>(5,321)</u>	<u>63,747</u>	<u>29,589</u>	<u>11,294</u>	<u>384,060</u>	<u>478,049</u>

10. Approval of the financial statements

These financial statements were authorised for issue by the Company's board of committee members on 11 October 2021.