

WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG  
CHUNG HOK ELDERLY CENTRE

**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, HONG KONG  
CHUNG HOK ELDERLY CENTRE**

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**Opinion**

We have audited the financial statements of Women's Welfare Club, Western District, Hong Kong Chung Hok Elderly Centre ("the Elderly Centre") set out on pages 3 to 10, 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 Elderly Centre 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 Elderly Centre 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 Elderly Centre 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 Elderly Centre'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 Elderly Centre or to cease operations, or have no realistic alternative but to do so.

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WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG  
CHUNG HOK ELDERLY CENTRE**

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**Auditor's responsibilities for the audit of the financial statements**

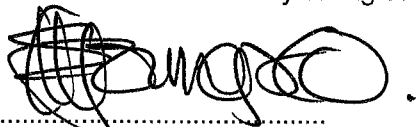
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 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 Elderly Centre'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 Elderly Centre'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 Elderly Centre 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.



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

Hong Kong, 11 October 2021

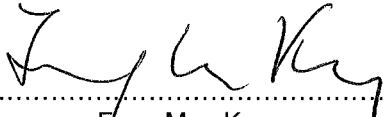
**WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG  
CHUNG HOK ELDERLY CENTRE**

**STATEMENT OF FINANCIAL POSITION as at 31 March 2021**

	<u>Note</u>	\$	<u>2021</u> \$	<u>2020</u> \$
<b><u>NON-CURRENT ASSETS</u></b>				
Property, plant and equipment	7		93,116	2
<b><u>CURRENT ASSETS</u></b>				
Cash at banks -				
Current accounts		374,755		345,889
Cash in hand		15,000	389,755	10,000
		482,871	482,871	355,891
<b><u>CURRENT LIABILITIES</u></b>				
Income received in advance			18,946	29,212
			18,946	29,212
			463,925	326,679
Representing:-				
<b><u>SURPLUS RETAINED</u></b>				
Balance carried forward	10		463,925	326,679
			463,925	326,679

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, HONG KONG**  
**CHUNG HOK ELDERLY CENTRE**

**INCOME STATEMENT**  
**For the year ended 31 March 2021**

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		\$	\$
<b><u>INCOME</u></b>			
Subvention from Social Welfare Department		4,906,416	4,937,016
Donations received		-	17,500
Membership fees		26,470	4,542
Programme income	4	94,593	484,091
One-off Subsidy for Elderly Centres for Purchase of Warm Items *		20,280	20,238
Other subsidy *	6	60,270	10,000
		5,108,029	5,473,387
<b><u>EXPENDITURE</u></b>			
<b><u>Personal Emoluments</u></b>			
Salaries		3,594,811	3,607,321
MPF mandatory contributions		239,064	242,931
<b><u>Other Charges</u></b>			
Advertisement		8,512	4,928
Bank charges		100	-
Programme expenses	4	493,640	1,177,688
Travelling expenses		24	142
Postage		207	200
Telephone and internet		18,556	15,342
Cleaning		13,707	16,916
Audit fee		12,500	12,500
Electricity		11,715	29,295
Fuel		1,203	1,578
Insurance		64,323	106,948
Water and sewage charges		1,604	1,879
Printing and stationery		42,188	35,397
Newspapers and periodicals		-	2,847
Minor purchases		32,547	169
Repairs and maintenance		260,191	172,278
Sundry expenses		16,303	16,104
<b><u>Administrative support</u></b>		48,000	48,000
<b><u>Depreciation **</u></b>		31,038	-
<b><u>One-off subsidy for Elderly Centres for Purchase of Warm Items *</u></b>		20,280	20,238
<b><u>Other subsidized expenditure *</u></b>	6	60,270	10,000
		4,970,783	5,522,701
<b><u>Surplus/(deficit) for the year</u></b>		137,246	(49,314)

\* Non-FSA items

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, HONG KONG**  
**CHUNG HOK ELDERLY CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

1. General

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

The address of the Elderly Centre is 2/F., 60 Bridges Street, Hong Kong.

2. Basis of preparation and accounting policies

The Elderly Centre 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 except those prepared under cash basis of accounting for Lump Sum Grant (LSG) used and on the basis that the Elderly Centre 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 Elderly Centre 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.
- Annual subscription fees are recognized on a cash basis, subscriptions in arrears are not accounted for.
- Other revenue is recognised when the amount is received.
- Interest income from bank deposits is recognized when it is received.
- 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 Elderly Centre is Hong Kong Dollars, which is the currency of the primary economic environment in which the Elderly Centre 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.

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG**  
**CHUNG HOK ELDERLY CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

2. Basis of preparation and accounting policies (continued)

(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.

(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 debts becomes doubtful a provision is made and charged to the income statement.

(f) Provisions

Provisions are recognised when the Elderly Centre 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 Elderly Centre 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 Elderly Centre 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 comprehensive income 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 Elderly Centre in an independently administered fund. The Elderly Centre's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Elderly Centre operates a defined contribution scheme for its employees, the assets of which are held separately from those of the Elderly Centre in an independently administered fund. Contributions are made based on a percentage of the eligible employees' salaries and are charged to the statement of comprehensive income 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 Elderly Centre employer contributions vesting fully, the ongoing contributions payable by the Elderly Centre may be reduced by the relevant amount of forfeited contributions.

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG**  
**CHUNG HOK ELDERLY CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

2. Basis of preparation and accounting policies (continued)

(h) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases of assets are classified as finance leases when the leases transfer substantially all risks and rewards incidental to ownership of the assets to the Elderly Centre. All other leases are classified as operating leases.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Contingent rents are charged as an expense in the periods in which they are incurred.

	<u>2021</u>	<u>2020</u>
	\$	\$
3. <u>Surplus/(deficit) for the year</u>		
Surplus/(deficit) for the year is stated after charging the following:		
Auditor's remuneration	12,500	12,500
Staff costs:		
Salaries & allowance	3,594,811	3,607,321
MPF contributions	239,064	242,931
Depreciation	31,038	-
	12,500	12,500
4. <u>Programme income/expenses</u>		
Income for other programmes	94,593	464,131
Re: "A.M." & Massage Health Care for Elders' pain management		
Grant from Alfar Charitable Trust	-	-
Add: Income from participants	-	19,960
Total programme income	94,593	484,091
Expenditure for other programmes	493,640	1,068,910
Re: "A.M." & Massage Health Care for Elders' pain management		
Programme expenses for Structured Physical and Cognitive Activity Intervention	-	108,778
Total programme expenses	493,640	1,177,688
5. <u>Directors' remuneration</u>		
Remuneration to directors disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Chapter 622) is as follows:		
Fees	-	-
Other emoluments	-	-
	-	-



**WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG**  
**CHUNG HOK ELDERLY CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<u>2021</u>	<u>2020</u>
	\$	\$
6. <u>Other subsidy / subsidized expenditures</u>		
(i) <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 equipme	-	4,000
Purchase of disinfection supplies	-	6,000
	-----	-----
Total expenditures	-	10,000
	-----	-----
Amount of unspent allocation	-	-
	=====	=====
(ii) <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	4,220	-
Purchase of disinfection supplies	25,780	-
	-----	-----
Total expenditures	30,000	-
	-----	-----
Amount of unspent allocation	-	-
	=====	=====
(iii) <u>Lotteries Fund Experimental Project(s) of limited duration for the year ending 31 March 2021*</u>		Wi-Fi Project 35141-837-4510-0000 Completion date <u>31 December 2023</u> \$
Income		
Lotteries Fund Grant		30,270
		-----
Expenditure		
Other Expenditure:		
(i) Technical set-up and installation cost		23,670
(ii) Operating expenses		6,600
		-----
Total Expenditure		30,270
		-----
Surplus / (deficit) for the Year		-
Add Cumulated Income B/F		-
Cumulated Expenditure B/F		-
		-----
Cumulated surplus / (deficit) B/F		-
		-----
Cumulated surplus C/F		-
		=====

\* Allocation from the Lotteries Fund for Pilot Project on Provision of Wi-Fi Service for Eligible Welfare Service Units Operated by Organisations Receiving Subventions Subsidies from the Social Welfare Department (SWD) (Wi-Fi Project) (Four-year WI-Fi Project from 2020 to 2023)

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG**  
**CHUNG HOK ELDERLY CENTRE**

**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	12,724	9,213	21,937
Additions	78,715	45,437	124,152
(Disposals)	(2,088)	-	(2,088)
At 31.3.2021	89,351	54,650	144,001
Accumulated depreciation and impairment losses -			
At 31.3.2020	12,723	9,212	21,935
Charge for the year	19,679	11,359	31,038
(Eliminations on disposals)	(2,088)	-	(2,088)
At 31.3.2021	30,314	20,571	50,885
Net book value -			
At 31.3.2021	59,037	34,079	93,116
At 31.3.2020	1	1	2

8. Movement of lotteries fund block grant

		<u>Total</u>
	\$	\$
Subvention reallocated for the year	41,343	
Amount transferred for the purchase of fixed assets	(40,143)	1,200
Less:		
Expenditure -		
Minor Works Projects	1,200	
Furniture and Equipment	40,143	
Amount transferred for the purchase of fixed assets	(40,143)	1,200
Deficit for the year ended 31.3.2020		-
Subvention reallocated for the year	-	
Amount transferred for the purchase of fixed assets (note 7)	-	-
Less:		
Expenditure -		
Minor Works Projects	-	
Furniture and Equipment	-	
Amount transferred for the purchase of fixed assets (note 7)	-	-
Deficit for the year ended 31.3.2021		-

Capital Commitments

As at 31 March 2021, the outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works Grant were as follows:

	HK\$
Contracted for but not provided in the financial statements	-
Authorized but not contracted for	-
	-

**WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG**  
**CHUNG HOK ELDERLY CENTRE**

**NOTES TO THE FINANCIAL STATEMENTS**

9. Agency administrative support

During the year, the Elderly Centre paid administrative support of \$48,000 (2020: \$48,000) to Women's Welfare Club, Western District, Hong Kong ("Agency").

10. Changes in fund

	<u>Surplus retained</u> \$	<u>Total</u> \$
Balance at 31 March 2020	326,679	326,679
Total surplus for the year	137,246	137,246
Balance at 31 March 2021	<u>463,925</u>	<u>463,925</u>

11. Approval of the financial statements

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