

WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG
KWAN KAI MING MEMORIAL 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
KWAN KAI MING MEMORIAL CHUNG HOK ELDERLY CENTRE**

Opinion

We have audited the financial statements of Women's Welfare Club, Western District, Hong Kong Kwan Kai Ming Memorial Chung Hok Elderly Centre ("the Elderly Centre") set out on pages 3 to 9, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF
WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG
KWAN KAI MING MEMORIAL CHUNG HOK ELDERLY CENTRE**

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.



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

Hong Kong, 11 October 2021

WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG
KWAN KAI MING MEMORIAL CHUNG HOK ELDERLY CENTRE

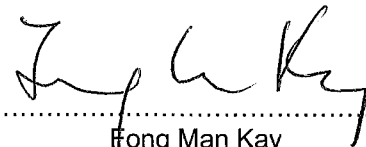
STATEMENT OF FINANCIAL POSITION as at 31 March 2021

	<u>Note</u>	\$	\$	<u>2021</u> \$	<u>2020</u> \$
<u>NON-CURRENT ASSETS</u>					
Property, plant and equipment	6			56,270	31,337
<u>CURRENT ASSETS</u>					
Temporary payment	7		32,319		-
Utility deposit			14,600		14,600
Cash at bank -					
Current account		73,165			136,078
Savings account		<u>5,157</u>	78,322		5,157
Cash in hand			<u>15,000</u>	140,241	10,000
			<u> </u>	<u>196,511</u>	<u>197,172</u>
<u>CURRENT LIABILITIES</u>					
Temporary receipts	7			-	46,599
				-	46,599
				<u>196,511</u>	<u>150,573</u>
Representing:-					
<u>SURPLUS RETAINED</u>					
Balance carried forward	11			<u>196,511</u>	150,573
				<u>196,511</u>	<u>150,573</u>

Approved on behalf of the Committee by:



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Tsang Fung Kwan
Chairman



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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
KWAN KAI MING MEMORIAL CHUNG HOK ELDERLY CENTRE

INCOME STATEMENT
For the year ended 31 March 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$
INCOME			
Subvention from Social Welfare Department		4,919,400	4,699,695
Membership fees		40,055	26,202
Programme income		24,992	403,468
Bank interest received		-	6
Sundry income		240	300
One-off Subsidy for Elderly Centres for Purchase of Warm Items *		20,400	19,943
Other subsidy *	5	30,000	10,000
		5,035,087	5,159,614
Less:			
EXPENDITURE			
<u>Personal Emoluments</u>			
Salaries		3,570,498	3,275,347
MPF mandatory contributions		264,102	228,064
<u>Other Charges</u>			
Advertisement		2,688	14,784
Bank charges		620	450
Programme expenses		426,408	748,704
Travelling expenses		910	1,025
Postage		438	1,509
Telephone and internet		26,216	25,449
Cleaning		12,575	18,416
Audit fee		12,000	12,000
Electricity		14,392	38,591
Insurance		75,899	92,010
Water and sewage charges		173	2,215
Printing and stationery		25,519	36,535
Newspapers and periodicals		-	7,470
Minor purchases		860	-
Repairs and maintenance		41,116	71,001
Sundry expenses		13,718	12,339
<u>Administrative support</u>		48,000	48,000
<u>Depreciation *</u>		22,237	10,445
<u>Rent</u>		344,388	377,016
<u>Rates and management fees</u>		35,992	57,421
<u>One-off subsidy for Elderly Centres for Purchase of Warm Items *</u>		20,400	19,943
<u>Other subsidized expenditure *</u>	5	30,000	10,000
		4,989,149	5,108,734
<u>Surplus for the year</u>		45,938	50,880

* 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
KWAN KAI MING MEMORIAL 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 Wing B, Ground Floor, Hing Hong House, Hing Tung Estate, Sai Wan Ho, 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.

(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, HONG KONG
KWAN KAI MING MEMORIAL CHUNG HOK ELDERLY CENTRE

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 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 income statement 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 income statement 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
KWAN KAI MING MEMORIAL 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 for the year</u>		
Surplus for the year is stated after charging the followings:		
Auditor's remuneration	12,000	12,000
Staff costs:		
Salaries and allowance	3,570,498	3,275,347
MPF contributions	264,102	228,064
	12,000	12,000

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. Other subsidy / subsidized expenditures

(i) Special Grant to Set up Preventive Measures against the Spread of Severe Respiratory Disease associated with a Novel Infectious Agent

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	-	4,888
Purchase of disinfection supplies	-	3,916
Others	-	1,196
Total expenditures	-	10,000
Amount of unspent allocation	-	-

WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG
KWAN KAI MING MEMORIAL CHUNG HOK ELDERLY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

	<u>2021</u>	<u>2020</u>	
	\$	\$	
5. <u>Other subsidy / subsidized expenditures</u> (continued)			
(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	16,072	-	
Purchase of disinfection supplies	9,130	-	
Hiring services	4,798	-	
Total expenditures	30,000	-	
	-----	-----	
Amount of unspent allocation	-	-	
	=====	=====	
6. <u>Property, plant and equipment</u>			
	<u>Furniture and equipment</u>	<u>Computer hardware and software</u>	<u>Total</u>
	\$	\$	\$
Book value -			
At 31.3.2020	43,131	22,020	65,151
Additions	52,399	3,345	55,744
(Disposals for the year)	-	(9,380)	(9,380)
Lotteries fund block grant (Note 8)	(5,229)	(3,345)	(8,574)
At 31.3.2021	90,301	12,640	102,941
	-----	-----	-----
Accumulated depreciation and impairment losses --			
At 31.3.2020	11,795	22,019	33,814
Charges for the year	22,237	-	22,237
(Eliminatoin on disposals)	-	(9,380)	(9,380)
At 31.3.2021	34,032	12,639	46,671
	-----	-----	-----
Net book value --			
At 31.3.2021	56,269	1	56,270
	=====	=====	=====
At 31.3.2020	31,336	1	31,337
	=====	=====	=====

WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG
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NOTES TO THE FINANCIAL STATEMENTS

	<u>2021</u>	<u>2020</u>
	\$	\$
7. <u>Temporary payment/receipts</u>		
Re: 主辦機構: 香港大學秀圃老年研究中心		
Project Name: Jockey Club Age-friendly City 「賽馬會齡活城市計劃」		
穩步前行樂安居		
Balance bought forward	70,000	-
Donations from The Hong Kong Jockey Club Charities Trust ("HKJCCT")	-	70,000
Donations from The University of Hong Kong ("HKU")	41,017	-
Balance carried forward	111,017	70,000
Less:		
Balance bought forward	23,401	-
Jockey Club Age-friendly City Project - Walk for a better life (Phase 1) (September 2019 to August 2020) *		
- HKJCCT	30,619	13,924
- HKU	31,540	9,477
Jockey Club Age-friendly City Project - Walk for a better life (Phase 2) (November 2020 to March 2021) *		
- HKJCCT	39,110	-
- HKU	18,666	-
Balance carried forward	143,336	23,401
Total (recoverable)/payable amount	(32,319)	46,599

* Letter of approval for extension granted

		<u>Total</u>
	\$	\$
8. <u>Movement of lotteries fund block grant</u>		
Subvention reallocated for the year	112,859	
Amount transferred for the purchase of fixed assets	(112,409)	450
Less:		
Expenditure -		
Minor Works Projects	450	
Furniture and Equipment	112,409	
Amount transferred for the purchase of fixed assets	(112,409)	450
Surplus for the year ended 31.3.2020		-
Subvention reallocated for the year	12,874	
Amount transferred for the purchase of fixed assets (note 6)	(8,574)	4,300
Less:		
Expenditure -		
Minor Works Projects	4,300	
Furniture and Equipment	8,574	
Amount transferred for the purchase of fixed assets (note 6)	(8,574)	4,300
Surplus for the year ended 31.3.2021		-

WOMEN'S WELFARE CLUB, WESTERN DISTRICT, HONG KONG
KWAN KAI MING MEMORIAL CHUNG HOK ELDERLY CENTRE

NOTES TO THE FINANCIAL STATEMENTS

8. Movement of lotteries fund block grant (continued)

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	-
	-
	-

9. Operating lease commitments

At the end of the reporting period, the Elderly Centre had non-cancelable operating leases commitments, the minimum lease payment payable was analysed as following:

Payable within one year	437,014	176,129
Payable in the second to fifth year inclusive	552,290	-
Payable after five years	-	-
	989,304 *	176,129 *
	989,304 *	176,129 *

* Agency had non-cancelable operating leases commitments of \$989,304 (2020: \$176,129) for the Elderly Centre.

10. 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").

11. Changes in fund

	<u>Surplus retained</u>	<u>Total</u>
	\$	\$
Balance at 31 March 2020	150,573	150,573
Surplus for the year	45,938	45,938
Balance at 31 March 2021	196,511	196,511
	196,511	196,511

12. Approval of the financial statements

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