

WOMEN'S WELFARE CLUB – WEST DAY NURSERY, HONG KONG

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**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 – WEST DAY NURSERY, HONG KONG**

**Opinion**

We have audited the financial statements of Women's Welfare Club – West Day Nursery, Hong Kong ("the Day Nursery") 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 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF  
WOMEN'S WELFARE CLUB – WEST DAY NURSERY, HONG KONG**

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

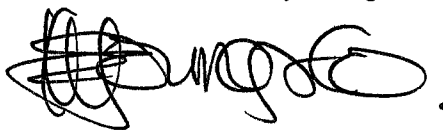
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405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

**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		12,942	26,872
<b><u>CURRENT ASSETS</u></b>				
Cash at banks -				
Current account		103,068		49,412
Savings accounts		<u>70,781</u>	<u>173,849</u>	<u>70,320</u>
			<u>186,791</u>	<u>146,604</u>
Representing:-				
<b><u>SURPLUS/(DEFICIT) RETAINED</u></b>				
Integrated programme unit	10	(3,315)		13,842
Occasional child care service	10	<u>43,502</u>	40,187	(15,638)
<b><u>LSG RESERVE FUND</u></b>				
	10		<u>146,604</u>	<u>148,400</u>
			<u>186,791</u>	<u>146,604</u>

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 - WEST DAY NURSERY, HONG KONG**  
**(INTEGRATED PROGRAMME UNIT)**

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

		<b><u>2021</u></b>	<b><u>2020</u></b>
		<b>\$</b>	<b>\$</b>
<b><u>INCOME</u></b>			
Subventions from SWD		373,450	371,433
		373,450	371,433
		373,450	371,433
<b><u>EXPENDITURE</u></b>			
<b><u>Personal Emoluments</u></b>			
Salaries	318,965		296,655
Mandatory providend funds contributions	15,948	334,913	14,833
	334,913		
<b><u>Other Charges</u></b>			
Advertisement	-		3,920
Audit fee	4,000		4,000
Bank charges	-		100
Cleaning	7,560		1,985
Insurance	912		-
Printing and stationery	6,600		9,396
Programme expenses	-		3,152
Repairs and maintenance	2,270		2,320
Teaching materials	1,420	22,762	400
	22,762		
<b><u>Administrative support</u></b>		15,000	15,000
<b><u>Depreciation</u></b>		4,090	5,830
		4,090	5,830
		376,765	357,591
<b><u>(Deficit)/surplus for the year</u></b>		(3,315)	13,842

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 - WEST DAY NURSERY, HONG KONG**  
**(OCCASIONAL CHILD CARE SERVICE)**

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

	<u>2021</u>	<u>2020</u>
	\$	\$
<b><u>INCOME</u></b>		
Fees	461	6,790
Subventions from SWD	150,360	150,330
Bank interest received	1	65
	<u>150,822</u>	<u>157,185</u>
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<b><u>EXPENDITURE</u></b>		
<b><u>Personal Emoluments</u></b>		
Salaries	59,150	81,794
Mandatory provident fund contributions	<u>2,958</u>	3,110
	62,108	
<b><u>Other Charges</u></b>		
Advertisement	-	5,936
Audit fee	4,000	4,000
Bank charges	150	100
Cleaning	5,279	12,917
Food	13	774
Insurance	420	-
Minor purchases	738	2,980
Printing and stationery	-	1,309
Programme expenses	-	23,288
Repairs and maintenance	5,100	5,100
Teaching materials	1,712	2,131
Telephone and internet	<u>2,960</u>	4,544
	20,372	
<b><u>Administrative support</u></b>	15,000	15,000
<b><u>Depreciation</u></b>	9,840	9,840
	<u>107,320</u>	<u>172,823</u>
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<b><u>Surplus/(deficit) for the year</u></b>	<u>43,502</u>	<u>(15,638)</u>
	=====	=====

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 - WEST 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 60 Bridges Street, 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 - WEST 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 - WEST DAY NURSERY, HONG KONG**

**NOTES TO THE FINANCIAL STATEMENTS**

		<u>2021</u>	<u>2020</u>
		\$	\$
3.	<u>Surplus/(deficit) for the year</u>		
Surplus/(deficit) for the year is stated after charging the followings:			
Auditor's remuneration	- Integrated programme unit	4,000	4,000
	- Occasional child care service	4,000	4,000
Committee members' emoluments			
Fees		-	-
Other emoluments		-	-
Staff costs:			
Salaries & allowance	- Integrated programme unit	318,965	296,655
	- Occasional child care service	59,150	81,794
MPF contributions	- Integrated programme unit	15,948	14,833
	- Occasional child care service	2,958	3,110
Depreciation	- Integrated programme unit	4,090	5,830
	- Occasional child care service	9,840	9,840
		<u>                    </u>	<u>                    </u>

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	-	-
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

5. During the year, the Nursery paid administrative support of \$30,000 (2020: \$30,000) to Women's Welfare Club, Western District, Hong Kong ("Agency").

6. LSG reserve fund

Interest income	-	32
Expenditure	-	-
	<u>                    </u>	<u>                    </u>
Net surplus for the year	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

LSG represents Lump Sum Grant.

**WOMEN'S WELFARE CLUB - WEST 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>
	\$	\$	\$
Book value -			
At 31.3.2020	93,583	1,560	95,143
Additions	15,800	-	15,800
Lotteries fund block grant (note 8)	(15,800)	-	(15,800)
	<hr/>	<hr/>	<hr/>
At 31.3.2021	93,583	1,560	95,143
	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment losses -			
At 31.3.2020	66,712	1,559	68,271
Charges for the year	13,930	-	13,930
	<hr/>	<hr/>	<hr/>
At 31.3.2021	80,642	1,559	82,201
	<hr/>	<hr/>	<hr/>
Net book value -			
At 31.3.2021	12,941	1	12,942
	<hr/>	<hr/>	<hr/>
At 31.3.2020	26,871	1	26,872
	<hr/>	<hr/>	<hr/>

8. Movement of lotteries fund block grant

	\$	<u>Total</u>
		\$
Subvention reallocated for the year	-	
Amount transferred for the purchase of fixed assets	-	-
	<hr/>	<hr/>
Less: Expenditure -		
Minor Works Projects	-	
Furniture and Equipment	-	
Amount transferred for the purchase of fixed assets	-	-
	<hr/>	<hr/>
Surplus for the year ended 31.3.2020		-
		<hr/>
Subvention reallocated for the year	15,800	
Amount transferred for the purchase of fixed assets (note 7)	(15,800)	-
	<hr/>	<hr/>
Less: Expenditure -		
Minor Works Projects	-	
Furniture and Equipment	15,800	
Amount transferred for the purchase of fixed assets (note 7)	(15,800)	-
	<hr/>	<hr/>
Surplus for the year ended 31.3.2021		-
		<hr/>

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	-
	<hr/>
	-
	<hr/>

**WOMEN'S WELFARE CLUB - WEST DAY NURSERY, HONG KONG**

**NOTES TO THE FINANCIAL STATEMENTS**

	2021	2020		
	\$	\$		
9. <u>Government grant and subsidy</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 disinfection supplies	-	2,480		
Hiring services	-	7,520		
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	20,940	-		
Purchase of disinfection supplies	2,760	-		
Hiring services	6,300	-		
Total expenditures	30,000	-		
Amount of unspent allocation	-	-		
10. <u>Changes in funds</u>				
	Integrated programme <u>unit</u> \$	Occasional child care <u>service</u> \$	LSG reserve <u>fund</u> \$ (Note 6)	<u>Total</u> \$
Balance at 31 March 2020	13,842	(15,638)	148,400	146,604
Total surplus/(deficit) for the year	(3,315)	43,502	-	40,187
Transfer of funds	(13,842)	15,638	(1,796)	-
Balance at 31 March 2021	(3,315)	43,502	146,604	186,791

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.