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YUEN LONG DISTRICT WOMEN'S ASSOCIATION LIMITED
元朗區婦女會有限公司
(LIMITED BY GUARANTEE)

COMMITTEE MEMBERS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020



Lee & Yu Certified Public Accountants

李志輝 · 余仲良 會計師事務所

In association with | CAC CPA LIMITED | 中审华会计师事务所



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YUEN LONG DISTRICT WOMEN'S ASSOCIATION LIMITED
元朗區婦女會有限公司
(LIMITED BY GUARANTEE)

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YUEN LONG DISTRICT WOMEN'S ASSOCIATION LIMITED
元朗區婦女會有限公司

(LIMITED BY GUARANTEE)

COMMITTEE MEMBERS

Cheung Miu Ling
Cheung Wang Kum
Chung Ying Tai
Fong Yuk Mee
Lai Oi Ying

Lam Lai Yi
Lam Wai Ming
Lau Mie Chee
Leung Yin Ping
Man Chon Chiu Hang

Tang Fung Lin
To Leung Chun
Tong Ching Heung
Wan May Shin
Yeung Shi Hing

COMMITTEE MEMBERS' REPORT

The committee members submit their annual report together with the audited financial statements for the year ended 31st March 2020.

PRINCIPAL ACTIVITY

The principal activity of the Association is to advance the education of women and children and to relieve them from poverty in Yuen Long District.

RESULTS

The results of the Association for the year ended 31st March 2020 are set out in the income statement on page 6.

SHARES ISSUED

The Association is limited by guarantee and consequently has no share capital. Every member of the Association is limited to contribute to the assets of the Association in the event of it being wound up during the time of their membership or within one year of ceasing to be a member. Such contribution is not to exceed HKD10 per member.

COMMITTEE MEMBERS

The committee members who held office during the year and up to the date of this report were:-

Cheung Miu Ling
Cheung Wang Kum
Chung Ying Tai
Fong Yuk Mee
Lai Oi Ying
Lam Lai Yi
Lam Wai Ming
Lau Mie Chee
Leung Yin Ping
Man Chon Chiu Hang

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COMMITTEE MEMBERS (CONT'D)

The committee members who held office during the year and up to the date of this report were:- (cont'd)

Tang Fung Lin
To Leung Chun
Tong Ching Heung
Wan May Shin
Yeung Shi Hing

In accordance with Article 31 of the Association's Articles of Association, the committee members shall hold office for four years and shall be eligible for re-election.

MANAGEMENT CONTRACTS

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

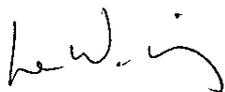
PERMITTED INDEMNITY PROVISIONS

In accordance with Article 56 of the Association's Articles of Association, every committee member of the Association shall be indemnified out of the Association's assets against any liability incurred by the committee member in connection with any negligence, default, breach of duty or breach of trust in relation to the Association. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

AUDITORS

The financial statements have been audited by Lee & Yu, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Lam Wai Ming

Hong Kong, 4th February 2021



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF YUEN LONG DISTRICT WOMEN'S ASSOCIATION LIMITED
元朗區婦女會有限公司
(LIMITED BY GUARANTEE)
(Incorporated in Hong Kong with limited liability)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yuen Long District Women's Association Limited ("the Association") set out on pages 6 to 14, which comprise the statement of financial position as at 31st March 2020, and the income statement and statement of changes in funds 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 Association 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association 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 Auditors' Report Thereon

The committee members are responsible for the other information. The other information comprises the committee members' report.

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.

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Yuen Long Branch 元朗分行 0065

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Responsibilities of Committee Members for the Financial Statements

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

The committee members are also responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

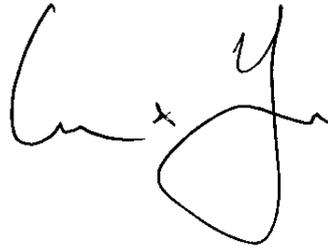
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with section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

As part of an audit in accordance with HKSAs, we exercise professional judgement 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also communicate with committee members 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.



LEE & YU

Certified Public Accountants

22/F.,
Guangdong Finance Building,
88 Connaught Road West,
Sheung Wan, Hong Kong.

4th February 2021

YUEN LONG DISTRICT WOMEN'S ASSOCIATION LIMITED
元朗區婦女會有限公司

(LIMITED BY GUARANTEE)

INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020

(EXPRESSED IN HONG KONG DOLLARS)

	Note	<u>2020</u>	<u>2019</u>
Revenue	3	1,162,888	1,275,866
Other income	4	7,666	2,926
Administrative expenses		(304,199)	(542,237)
Other operating expenses		(916,086)	(709,711)
(Deficit)/surplus for the year	5	<u>(49,731)</u>	<u>26,844</u>

The accompanying notes form an integral part of these financial statements.

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YUEN LONG DISTRICT WOMEN'S ASSOCIATION LIMITED
元朗區婦女會有限公司

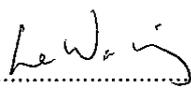
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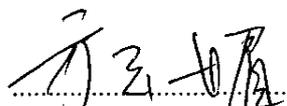
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020

(EXPRESSED IN HONG KONG DOLLARS)

	Note	2020	2019
Non-current assets			
Property, plant and equipment	8	<u>1,031,109</u>	<u>1,104,542</u>
Current assets			
Accounts receivables		61,681	55,440
Deposits and prepayments		4,816	4,816
Cash at bank		<u>711,572</u>	<u>776,239</u>
		<u>778,069</u>	<u>836,495</u>
Current liabilities			
Accrued expenses		45,894	52,025
Amounts due to committee members	9	<u>387,853</u>	<u>463,850</u>
		<u>433,747</u>	<u>515,875</u>
Net current assets		<u>344,322</u>	<u>320,620</u>
Net assets		<u>1,375,431</u>	<u>1,425,162</u>
Funds and reserves			
Accumulated fund		<u>1,375,431</u>	<u>1,425,162</u>

Approved by the Board of Committee Members on 4th February 2021


.....
Lam Wai Ming


.....
Fong Yuk Mee

The accompanying notes form an integral part of these financial statements.

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YUEN LONG DISTRICT WOMEN'S ASSOCIATION LIMITED
元朗區婦女會有限公司

(LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31ST MARCH 2020

(EXPRESSED IN HONG KONG DOLLARS)

	<u>Accumulated fund</u>
Balance at 31st March 2019	1,425,162
Deficit for the year	<u>(49,731)</u>
Balance at 31st March 2020	<u>1,375,431</u>

YUEN LONG DISTRICT WOMEN'S ASSOCIATION LIMITED
元朗區婦女會有限公司

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS)

1. CORPORATE INFORMATION

Yuen Long District Women's Association Limited ("the Association") is a limited by guarantee association incorporated in Hong Kong. Every member of the Association is limited to contribute to the assets of the Association in the event of its being wound up during the time of their membership or within one year of ceasing to be a member. Such contribution is not to exceed HKD10 per member. The registered office of the Association is at Flat A1, 1/F., 43 Kau Yuk Road, Yuen Long, New Territories.

During the year, the Association's principal activity is to advance the education of women and children and to relieve them from poverty in Yuen Long District.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Association qualifies for the reporting exemption as a small guarantee association 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 association 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

Revenue is recognised when it is probable that the economic benefit will flow to the association and when the revenue can be measured reliably, on the following bases:

- i) revenue from activities and courses are recognised when the relevant activities and courses have been provided to the participants;
- ii) revenue from provision of child care services is recognised when the relevant services are rendered;
- iii) grants and subventions from the government are recognised when there is reasonable assurance that the grants and subventions will be received and the Association will comply with all attached conditions;
- iv) donation and membership fee income are recognised on a receipt basis; and

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

a) Revenue (cont'd)

- v) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

b) Leases

Leases that transfer substantially all the rewards and risk of ownership of assets to the association are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payment. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of asset are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

c) Retirement benefit costs

The Association participates in a defined contribution retirement scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The Association has no further payment obligations once the contributions have been paid. Contributions are charged to profit or loss as they become payable in accordance with the rules of the scheme.

d) Property, plant and equipment

Property, plant and equipment are stated at the cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight line/reducing balance method. The principal annual rates used for depreciation are as follows:

Furniture and fixtures	25% (reducing balance method)
Land and buildings	Over the lease term
Leasehold improvements	25% (reducing balance method)
Office equipment	25% (reducing balance method)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

e) Related parties

A party is considered to be related to the Association if :

- i) A person, or a close member of that person's family, is related to the Association if that person:
 - a) has control or joint control over the Association;
 - b) has significant influence over the Association; or
 - c) is a member of the key management personnel of the Association or of a parent of the Association;or
- ii) An entity is related to the Association if any of the following conditions applies:
 - a) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - c) both entities are joint ventures of the same third party;
 - d) one entity is joint venture of a third entity and other entity is an associate of the third entity;
 - e) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association;
 - f) the entity is controlled or jointly controlled by a person identified in (i);
 - g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - h) the entity, or any member of a group of which it is a part, provides key management personnel services to the Association or to the parent of the Association.

Close family members of the family of a person are those family members who may be expected to influence, or to be influenced by, that person in their dealings with the entity.

f) Accounts and other receivables

Accounts 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.

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

g) Other payables

Other payables are stated at amortised costs unless the effect of discounting would be immaterial, in which case they are stated at costs.

h) 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.

3. REVENUE

The amounts of each significant category of income recognised in revenue during the year are as follows:-

	<u>2020</u>	<u>2019</u>
Activities and courses income	786,723	811,872
Donation income	235,288	363,077
Government grant	72,392	28,541
Membership fee income	7,108	14,332
Mutual Help Child Care Centre income	<u>61,377</u>	<u>58,044</u>
	<u>1,162,888</u>	<u>1,275,866</u>

4. OTHER INCOME

The amounts of each significant category of income, other than revenue, recognised during the year are as follows:-

	<u>2020</u>	<u>2019</u>
Bank interest income	432	226
Sundry income	<u>7,234</u>	<u>2,700</u>
	<u>7,666</u>	<u>2,926</u>

5. **(DEFICIT)/SURPLUS FOR THE YEAR**

(Deficit)/surplus for the year is stated after crediting and charging the following:-

	<u>2020</u>	<u>2019</u>
Crediting		
Bank interest income	<u>432</u>	<u>226</u>
Charging		
Auditors' remuneration	16,000	12,000
Depreciation		
- owned assets	73,433	87,099
Retirement benefit costs	9,350	19,738
Staff costs (excluding committee members' remuneration and retirement benefit costs)	<u>187,000</u>	<u>392,801</u>

6. **INCOME TAX EXPENSE**

The Association has been granted exemption from tax under Section 88 of the Inland Revenue Ordinance by reason of being a charitable institution of a basic character. Accordingly, no provision for taxation has been made in these accounts.

7. **COMMITTEE MEMBERS' EMOLUMENTS**

None of the committee members received or will receive any fees or emoluments in respect of their services to the Association during the year (2019: Nil).

8. **PROPERTY, PLANT AND EQUIPMENT**

	<u>Leasehold improvements</u>	<u>Land and buildings</u>	<u>Furniture and fixtures</u>	<u>Office equipment</u>	<u>Total</u>
Cost					
At 31st March 2019 and 2020	<u>1,647,609</u>	<u>1,200,000</u>	<u>180,371</u>	<u>496,516</u>	<u>3,524,496</u>
Accumulated depreciation					
At 31st March 2019	1,596,528	259,458	175,023	388,945	2,419,954
Charge for the year	<u>12,770</u>	<u>32,433</u>	<u>1,337</u>	<u>26,893</u>	<u>73,433</u>
At 31st March 2020	<u>1,609,298</u>	<u>291,891</u>	<u>176,360</u>	<u>415,838</u>	<u>2,493,387</u>
Net book value					
At 31st March 2020	<u>38,311</u>	<u>908,109</u>	<u>4,011</u>	<u>80,678</u>	<u>1,031,109</u>
At 31st March 2019	<u>51,081</u>	<u>940,542</u>	<u>5,348</u>	<u>107,571</u>	<u>1,104,542</u>

The land and buildings are situated in Hong Kong.

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9. AMOUNTS DUE TO COMMITTEE MEMBERS

The amounts due are unsecured, interest-free and have no fixed terms of repayments.

10. DEFICIT ON MUTUAL HELP CHILD CARE CENTRE

	<u>2020</u>	<u>2019</u>
Child care service income	60,057	2,604
Grant for rent and rate subsidy	<u>1,320</u>	<u>55,440</u>
	61,377	58,044
Less : Mutual Help Child Care Centre expenses	<u>(172,859)</u>	<u>(154,559)</u>
Deficit for the year	<u>(111,482)</u>	<u>(96,515)</u>

11. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Association had outstanding commitments under a non-cancellable operating lease, which fall due as follows :-

	<u>2020</u>	<u>2019</u>
Not later than one year	<u>23,541</u>	<u>23,541</u>

12. RELATED PARTY TRANSACTIONS

The Association had the following material transactions with its related parties during the year :-

	<u>2020</u>	<u>2019</u>
Donation income received from a committee member, Tong Ching Heung	9,743	-
Donation income received from a related association, Hong Kong Women Development Association Limited	<u>5,996</u>	<u>-</u>

The committee members of the Association are of the opinion that the above transactions were entered into in the normal course of business.

13. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period the Association was awarded the first and second tranches of wage subsidy of HKD102,000 from the “Employment Support Scheme” under the second round of the “Anti-epidemic Fund” launched by the Government of the HKSAR. The purpose of the “Employment Support Scheme” is to combat the impact of the Coronavirus Outbreak and the subsidy was used for paying wages of employees from June to November 2020.