

ACTION HEALTH LIMITED
(COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

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Y.T. Lo & Co Ltd
Certified Public Accountants (Practising)
盧葉堂會計師行有限公司



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ACTION HEALTH LIMITED
GENERAL COMMITTEE'S REPORT

The General Committee present herewith the report and the audited financial statements for the dated ended 31st March 2021.

PRINCIPAL ACTIVITIES

The company's principal activity is promoting healthy lifestyle particularly for the youth. There has been no significant change during the year.

RESULTS

The company's results for the year is set out in the attached financial statements.

GENERAL COMMITTEE

The General Committee members is as follow:

Tik Chi Yuen
Tse Lin Chung

ACTION HEALTH LIMITED
GENERAL COMMITTEE'S REPORT
(CONTINUATION)

GENERAL COMMITTEE'S INTEREST

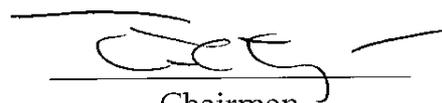
In the opinion of General Committee, there were no contracts of significance to which the company was a party and in which any General Committee members had a material interest subsisted at the end of the year or at any time during the year.

At no time during the year was the company a party to any arrangements to enable any General Committee members to acquire benefits by means of the acquisition of debentures of the company or any other body corporate.

AUDITOR

The financial statements have been audited by Messrs. Y. T. Lo & Co Ltd, Certified Public Accountants (Practising), who offer for re-appointment.

On behalf of the General Committee



Chairman
Tik Chi Yuen

Date : 25th October 2021



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ACTION HEALTH LIMITED
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the financial statements of Action Health Limited ("the company") set out on pages 6 to 13, which comprise the statement of financial position as at 31st March 2021, the statement of income and retained earnings and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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") 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 Company 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.

RESPONSIBILITIES OF GENERAL COMMITTEES AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The General Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ACTION HEALTH LIMITED
(CONTINUATION)

RESPONSIBILITIES OF GENERAL COMMITTEES AND THOSE CHARGED WITH
GOVERNANCE FOR THE FINANCIAL STATEMENTS (CONT'D)

In preparing the financial statements, the General Committee is responsible for assessing the Company'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 General Committee either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. 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:

- i) 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.
- ii) 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 Company's internal control.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ACTION HEALTH LIMITED
(CONTINUATION)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Committee.
- iv) Conclude on the appropriateness of the directors' 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 Company'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 Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

The engagement partner on the audit resulting in this independent auditor's report is Chow Hoi Ki (Practising Certificate No: P06949).

YTC

Y. T. Lo & Co Ltd
Certified Public Accountants (Practising)
Hong Kong

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Date : 25th October 2021



ACTION HEALTH LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31ST MARCH 2021

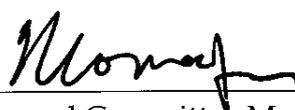
	2021 HK\$	2020 HK\$
SERVICE INCOME	490,100.00	85,684.00
Less: Direct Cost	-	(18,369.80)
	<hr/>	<hr/>
	490,100.00	67,314.20
OTHER INCOME		
Donation	24,600.00	149,234.00
Bank Interest Income	0.20	124.34
Sundry Income	38,435.50	767.12
	<hr/>	<hr/>
	553,135.70	217,439.66
OPERATING EXPENSES	(177,526.65)	(11,900.79)
	<hr/>	<hr/>
SURPLUS FOR THE YEAR	375,609.05	205,538.87
ACCUMULATED FUND AT START OF YEAR	858,104.77	652,565.90
	<hr/>	<hr/>
ACCUMULATED FUND AT END OF YEAR	<u>\$1,233,713.82</u>	<u>\$858,104.77</u>



ACTION HEALTH LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2021

	NOTE	2021 HK\$	2020 HK\$
CURRENT ASSETS			
Accounts Receivable		480,000.00	7,250.00
Utility Deposit and Prepayment		154,218.80	140,600.00
Project Funds Receivables	(4)	1,914,694.31	2,415,816.12
Bank Balances		609,831.59	1,438,115.85
		<u>3,158,744.70</u>	<u>4,001,781.97</u>
CURRENT LIABILITY			
Accrued Expenses		19,724.85	22,013.74
Project Funds Advanced	(4)	278,939.59	1,717,685.86
Other Loan		1,626,366.44	1,403,977.60
		<u>1,925,030.88</u>	<u>3,143,677.20</u>
NET CURRENT ASSETS		1,233,713.82	858,104.77
NET ASSETS		<u>\$1,233,713.82</u>	<u>\$858,104.77</u>
FUND AND RESERVE			
Accumulated Fund		1,233,713.82	858,104.77
TOTAL FUND		<u>\$1,233,713.82</u>	<u>\$858,104.77</u>


Chairman
Tik Chi Yuen


General Committee Member
Tse Lin Chung



ACTION HEALTH LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	2021 HK\$	2020 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	375,609.05	205,538.87
Adjustments for :		
(Increase)/Decrease in Accounts Receivable	(472,750.00)	(7,250.00)
(Increase)/Decrease in Deposits	(13,618.80)	(139,600.00)
(Increase)/Decrease in Project Funds Receivable	501,121.81	(836,097.61)
Increase/(Decrease) in Accrued Expenses	(2,288.89)	8,009.84
Increase/(Decrease) in Project Funds Advanced	(1,438,746.27)	1,183,383.08
Increase/(Decrease) in Other Loan	222,388.84	617,513.84
	<hr/>	<hr/>
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	(828,284.26)	1,031,498.02
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(828,284.26)	1,031,498.02
	<hr/>	<hr/>
OPENING CASH AND CASH EQUIVALENTS	1,438,115.85	406,617.83
	<hr/>	<hr/>
CLOSING CASH AND CASH EQUIVALENTS	<u>\$609,831.59</u>	<u>\$1,438,115.85</u>



ACTION HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

1. GENERAL INFORMATION

Action Health Limited is a company incorporated in Hong Kong limited by guarantee and not having a share capital with liability of each member be limited to HK\$10.00. The company's registered office is located at Luen Wo Hui Old Market, Luen Wo Road, Fanling, New Territories. The principal activity of the company is promoting healthy lifestyle particularly for the youth. The company is also registered as a charitable institution under Inland Revenue Ordinance.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the company.

2. BASIS OF PREPERATION

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalentents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalentents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the company's cash management are included as a component of cash and cash equivalentents.

b) Trade and Other Payables

Trade and other payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount. 0018



ACTION HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Revenue Recognition

Service income and administration charges is recognised when services are rendered.

i) Donation received is recognised upon actual receipts.

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

d) Income Tax

No provision for tax or deferred taxation has been made as the company is exempted from Hong Kong Tax under section 88 of the Inland Revenue Ordinance.

e) Employee Benefits

Salaries, annual bonuses, paid annual leave and contributions to defined contribution plans are accrued in the year in which the associated and administrative services are rendered by employees.

4. PROJECT FUNDS RECEIVABLES / ADVANCED

Project funds receivables/advanced represent amount received and payment made for designated project reimbursable by sponsor.

	<u>2021</u>	<u>2020</u>
"North District Recycling Centre (Phase II)" (Project No.:WRP383) sponsored by Environment and Conservation Fund		
Balance Brought Forward	(199,571.39)	(1,302,119.79)
Amounts Received	536,295.98	1,102,548.40
Amounts Paid	(336,724.59)	-
	(199,571.39)	1,102,548.40
(Receivable)/ Advanced	<u>\$Nil</u>	<u>(\$199,571.39)</u>



ACTION HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

4. PROJECT FUNDS RECEIVABLES / ADVANCED (CONT'D)

	<u>2021</u>	<u>2020</u>
"Food Link Project (Phase III)" (Project No.:WRP464) sponsored by Environment and Conservation Fund		
Balance Brought Forward	(124,482.01)	(124,482.01)
Amounts Received	216,597.51	-
Amounts Paid	(92,115.50)	-
	<hr/>	<hr/>
Receivable	<u>\$Nil</u>	<u>(\$124,482.01)</u>
"North District Recycling Centre (Phase III)" (Project No.:WRP492) sponsored by Environment and Conservation Fund		
Balance Brought Forward	(1,409,976.29)	(5,767.23)
Amounts Received	1,182,873.70	-
Amounts Paid	(241,128.70)	(1,404,209.06)
	<hr/>	<hr/>
(Receivable)/ Advanced	<u>(\$468,231.29)</u>	<u>(\$1,409,976.29)</u>
"ECF Food Link in North District" (Project No.:WRP529) sponsored by Environment and Conservation Fund		
Balance Brought Forward	(628,032.93)	89,917.55
Amounts Received	684,668.37	-
Amounts Paid	-	(717,950.48)
	<hr/>	<hr/>
(Receivable)/ Advanced	<u>\$56,635.44</u>	<u>(\$628,032.93)</u>
"Yuen Long Recycling Centre" (Project No.:WRP586) sponsored by Environment and Conservation Fund		
Amounts Received	(53,753.50)	845,661.86
Amounts Received	1,044,377.67	-
Amounts Paid	(768,320.02)	(899,415.36)
	<hr/>	<hr/>
(Receivable)/ Advanced	<u>\$222,304.15</u>	<u>(\$53,753.50)</u>



ACTION HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

5. GENERAL COMMITTEE MEMBERS' REMUNERATION

The company's key management personnel only include General Committee members.

General Committee members' remuneration are detailed as follows:

	<u>2021</u>	<u>2020</u>
Fee	\$Nil	\$Nil
Other Emoluments	\$Nil	\$Nil

6. CONTINGENT LIABILITY

The company incurred project expenses of \$383,184.06 (2020: \$429,001.84) . Such expense were not accrued as liability in financial statement as such were scheduled to be reimbursed by sponsor.

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's General Committee on 25th October 2021.



APPENDIX I

(FOR MANAGEMENT PURPOSE ONLY)

ACTION HEALTH LIMITED
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED 31ST MARCH 2021

	HK\$
Bank Charge	1,041.46
Computer and Accessories	1,030.00
Event Expenses	130,666.00
Electricity	10,600.91
Mandatory Provident Fund	1,061.53
Maintenance and Repairs	2,940.00
Printing and Stationery	7,352.30
Secretarial Fees	7,725.00
Sundry Expenses	5,271.43
Transportation	3,000.00
Telephone	769.52
Travelling	6,068.50
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	<u>\$177,526.65</u>