

BLESSING CLUB LIMITED
善愿會有限公司

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020

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BLESSING CLUB LIMITED

善愿會有限公司

REPORT OF THE COUNCILLORS

The councillors have pleasure in submitting their report together with the audited financial statements of Blessing Club Limited (the "Company") for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company is providing elderly services in Hong Kong. There is no significant change compared with the activity conducted in previous year.

FINANCIAL STATEMENTS

The result of the Company for the year ended 31 March 2020 and the Company's financial position as at that date are exhibited in the annexed audited financial statements.

FUNDS

Details of the movements in funds during the year are set out in the statement of changes in funds on page 8.

COUNCILLORS

The councillors during the year and up to the date of this report were:-

CHAN Ka Man
CHO Yee Yung
HUNG Wing Wo
PHONG Ka Ki Bonnie (resigned on 31 December 2019)
WONG Shuk Yin
WONG Suk May

In accordance with the Company's Articles of Association, all councillors shall be elected for a period of two years and shall be eligible for re-election.

REPORTING EXEMPTION

Since the Company falls within reporting exemption for the financial year in accordance with the Companies Ordinance, it has been exempted from certain disclosures in the report of the councillors and in the financial statements.

BLESSING CLUB LIMITED

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REPORT OF THE COUNCILLORS (Continued)

AUDITOR

The financial statements for the year were audited by Yu Kwong Fat who retires and, being eligible, offer himself for re-appointment.

On behalf of the Board



WONG Shuk Yin
Chairman

Hong Kong, 28 December 2020

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF
BLESSING CLUB LIMITED**

善愿會有限公司

*(Incorporated in Hong Kong and limited by guarantee)***Opinion**

I have audited the financial statements of Blessing Club Limited (the "Company") set out on pages 6 to 15, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income and expenditure, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended 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 ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information other than the financial statements and auditor's report thereon

The councillors are responsible for the other information. The other information comprises the information included in the report of the councillors, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of councillors for the financial statements

The councillors are responsible for the preparation of financial statements that give a true and fair view in accordance with the HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the councillors 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 (Continued)****TO THE MEMBERS OF
BLESSING CLUB LIMITED**

善愿會有限公司

*(Incorporated in Hong Kong and limited by guarantee)***Responsibilities of councillors for the financial statements (Continued)**

In preparing the financial statements, the councillors are 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 councillors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My 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 my opinion. This report is made solely to you, as a body, in accordance with Section 405 of Hong Kong Companies Ordinance, and for no other purpose. I 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the councillors.
- Conclude on the appropriateness of the councillors' 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



INDEPENDENT AUDITOR'S REPORT (Continued)

**TO THE MEMBERS OF
BLESSING CLUB LIMITED**

善愿會有限公司

(Incorporated in Hong Kong and limited by guarantee)

Auditor's responsibilities for the audit of the financial statements (Continued)

- 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.

I communicate with the councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink, appearing to read 'Yu Kwong Fat', with a large, sweeping flourish at the end.

Yu Kwong Fat

Hong Kong, 28 December 2020

BLESSING CLUB LIMITED

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STATEMENT OF FINANCIAL POSITION*As at 31 March 2020*

	Note	2020 HK\$	2019 HK\$
Non-current assets			
Plant and equipment	3	-	-
Current assets			
Inventories	4	489	163
Sundry debtors and receivables		638	1,152
Cash at bank and on hand		256,453	250,853
		<u>257,580</u>	<u>252,168</u>
Total assets		<u>257,580</u>	<u>252,168</u>
Represented by:			
Funds	5	<u>257,580</u>	<u>252,168</u>

Signed on behalf of the Council of Management by:-

WONG Shuk Yin
CouncillorCHO Yee Yung
Councillor

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

BLESSING CLUB LIMITED

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STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE*For the year ended 31 March 2020*

	Note	2020 HK\$	2019 HK\$
Revenue			
Donation income		122,694	72,185
Donation income for Joyful Living Fund		-	80,000
Sale of alcohol swab		812	-
Sales of milk powder		9,198	8,066
Sale of mooncakes		-	9,024
		<u>132,704</u>	<u>169,275</u>
Deduct: Cost of income			
Inventories at beginning of the year		163	-
Purchases of alcohol swab		812	-
Purchases of milk powder		9,518	8,755
Purchases of mooncakes		-	2,070
Inventories at end of the year		<u>(489)</u>	<u>(163)</u>
		<u>10,004</u>	<u>10,662</u>
Gross profit		122,700	158,613
Add: Other income			
Interest income from non-financial instruments		<u>279</u>	<u>63</u>
		122,979	158,676
Deduct: Expenditure			
<u>Administrative expenses</u>			
Bank charges		20	35
Course fee		1,500	-
Expenditure for COVID-19 community support		10,132	-
Expenditure for "Dental Protection for Better Health" Campaign		19,527	-
Expenditure for elderly photo-taking activity		2,018	-
Gifts for activities		-	7,812
Membership fee		785	550
Necessities and supplement for Joyful Living Fund		78,432	100,468
Postage, printing and stationery		298	43
Sundries		105	807
Tele-communication		960	960
Transportation		2,714	2,717
Website fee		<u>1,076</u>	<u>776</u>
		<u>117,567</u>	<u>114,168</u>
Surplus for the year	6	5,412	44,508
Income tax	7	<u>-</u>	<u>-</u>
Net surplus for the year		<u>5,412</u>	<u>44,508</u>

There was no other comprehensive income or loss during the year.

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

BLESSING CLUB LIMITED

善愿會有限公司

STATEMENT OF CHANGES IN FUNDS*For the year ended 31 March 2020*

	Joyful Living Fund HK\$	General Operation Fund HK\$	Total HK\$
Balance at 1 April 2018	70,227	137,433	207,660
Total comprehensive income for the year	-	44,508	44,508
Transfer from Joyful Living Fund	<u>(20,468)</u>	<u>20,468</u>	<u>-</u>
Balance at 31 March 2019 and 1 April 2019	49,759	202,409	252,168
Total comprehensive income for the year	-	5,412	5,412
Transfer from Joyful Living Fund	<u>(49,759)</u>	<u>49,759</u>	<u>-</u>
Balance at 31 March 2020	<u>-</u>	<u>257,580</u>	<u>257,580</u>

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

BLESSING CLUB LIMITED

善愿會有限公司

STATEMENT OF CASH FLOWS*For the year ended 31 March 2020*

	Note	2020 HK\$	2019 HK\$
Operating activities			
Surplus for the year		5,412	44,508
Adjustments for:			
Interest income from non-financial instruments		<u>(279)</u>	<u>(63)</u>
Operating surplus before working capital changes		5,133	44,445
Increase in inventories		(326)	(163)
Decrease/(increase) in sundry debtors and receivables		<u>514</u>	<u>(1,152)</u>
Net cash from operating activities		5,321	43,130
Net cash from investing activities	8	279	63
Net cash from financing activities		<u>-</u>	<u>-</u>
Increase in cash and cash equivalents		5,600	43,193
Cash and cash equivalents at beginning of the year		<u>250,853</u>	<u>207,660</u>
Cash and cash equivalents at end of the year	9	<u>256,453</u>	<u>250,853</u>

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

BLESSING CLUB LIMITED

善愿會有限公司

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. CORPORATE INFORMATION

Blessing Club Limited is a company incorporated under the Companies Ordinance in Hong Kong and is limited by guarantee. The Company has two members at present. The liability of the two members is limited to contributing to the assets of the Company to the extent of HK\$1 each in the event that the Company is wound up.

The registered office and principal place of operation of the Company is situated at Room 203, Wah Hing Commercial Building, 283 Lockhart Road, Wanchai, Hong Kong.

The principal activity of the Company is providing elderly services in Hong Kong.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These 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 ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong Dollars and all values are rounded to the nearest dollar unless otherwise stated.

The preparation of financial statements in conformity with the HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

(b) FINANCIAL INSTRUMENTS

Financial assets are recognized on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The following financial instruments are classified according to the management's intention on acquisition:-

Receivables

Receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

BLESSING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to income or expenditure during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

- Office equipment 2 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

The asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "other net gains/(losses)" in the statement of comprehensive income and expenditure.

(d) IMPAIRMENT OF ASSETS

Impairment of non-financial assets other than inventories

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) INVENTORIES

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

(f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(g) INCOME TAX

The Company is a charitable institution and is exempt from all taxes under Section 88 of the Inland Revenue Ordinance (Cap. 112).

(h) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognized in income or expenditure provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, as follows:

(i) Donation income

Income from donations is recognized when cash is received and includes all sums received up to the end of the reporting period.

(ii) Interest income

Interest income is recognized as it accrues using the effective interest method.

(iii) Sales of alcohol swab and milk powder

Revenue is recognized when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)*For the year ended 31 March 2020***2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****(i) FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Hong Kong Dollars ("HK\$"), which is the functional and presentation currency.

3. PLANT AND EQUIPMENT

	Office equipment HK\$	Total HK\$
Cost		
At 1 April 2019	1,980	1,980
At 31 March 2020	1,980	1,980
Deduct: Accumulated depreciation		
At 1 April 2019	1,980	1,980
At 31 March 2020	1,980	1,980
Net book values		
At 31 March 2020	-	-
At 31 March 2019	-	-

4. INVENTORIES

	2020 HK\$	2019 HK\$
Finished goods	489	163

BLESSING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2020

5. FUNDS

Details of the movements in funds during the year are referred to in the "Statement of changes in funds". The nature and purpose of funds are as follows:-

General Operation Fund

General Operation Fund are the cumulative net surplus of the Company.

Joyful Living Fund

Joyful Living Fund which aims to support the elders in poor by providing necessities and supplement.

6. SURPLUS FOR THE YEAR

	2020	2019
	HK\$	HK\$

Surplus for the year is stated after charging:

Councillors' remuneration

Fees

Other emoluments

-	-
-	-

7. INCOME TAX

No provision for Hong Kong Profits Tax has been made as the Company being a charitable institution, is exempt from all taxes under Section 88 of the Inland Revenue Ordinance (Cap. 112).

8. INVESTING ACTIVITIES

	2020	2019
	HK\$	HK\$

Net cash from investing activities

Interest received

279	63
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9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following items in the statement of financial position:-

	2020	2019
	HK\$	HK\$

Cash at bank and on hand

256,453	250,853
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BLESSING CLUB LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2020

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Council of Management on 28 December 2020.