

Association of HKEE's Social Service Limited
電職社會服務協會有限公司

Reports of the Executive Committee

And

Financial Statements

For The Year Ended 31 March, 2021



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鄭煥錦執業會計師
CHENG WOON KAM
Certified Public Accountant (Practising)

Association of HKEE's Social Service Limited
Reports and Financial Statements
For The Year Ended 31 March, 2021

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Association of HKEE's Social Service Limited
Report of the Executive Committee
For The Year Ended 31 March, 2021

The directors have pleasure in submitting their report and the audited financial statements for the year ended 31 March, 2021.

Principal Activities

The association is established to carry out any charitable activities as allowed by its Articles of Association.

Business Review

During the year, the Association continued its efforts in maintaining its charitable activities and was confident that such activities could be sustained in the future.

Results and State of Affairs

The results of the association for the year ended 31 March, 2021 and the state of affairs of the association at that date are set out in the annexed financial statements on pages 6 to 13.

Property, Plant and Equipment

Details of movements in property, plant and equipment during the year are shown in note 7 to the financial statements.

Directors

The executive committee members who held office during the year and at the date of this report are:-

Chan Chi Hin
Chu Yuk Ching
Chan Kam Chiu
Chan Yun Fu
Cheung Wing Ho
Lok Kwei Sang, Tandy
Yau Kit Pan

In accordance with articles 42 and 44 of the association's article of association, all the above executive committee members shall remain in their position in the ensuing year.

Association of HKEE's Social Service Limited
Report of the Executive Committee
For The Year Ended 31 March, 2021

Contracts, etc.

No contracts of significance, to which the association was a party and in which a council member had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the year.

At no time during the financial year was the association a party to any arrangements to enable its council members to acquire benefits by means of acquisition of shares in or debentures of any other body corporate.

Auditor

The financial statements for the year were audited by Cheng Woon Kam, Certified Public Accountant (Practising), who offers himself for re-appointment.

On behalf of the Executive Committee



Chan Chi Hin
Chairman
Hong Kong, 12 JAN 2022

CHENG WOON KAM
Certified Public Accountant (Practising)

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Independent Auditor's Report
To The Members Of
Association of HKEE's Social Service Limited
(Incorporated in Hong Kong as a company limited by guarantee)

Opinion

I have audited the financial statements of Association of HKEE's Social Service Limited ("the Association") set out on pages 6 to 13, which comprise the statement of financial position as at 31 March, 2021, and 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 my opinion, the financial statements give a true and fair view of the financial position of the association as at 31 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

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSA's") issued by the HKICPA. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am independent of the association 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.

Other Information

The executive committee members are responsible for the other information. The other information comprises the executive committee members' report and chairman's statement.

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 of 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.

CHENG WOON KAM
Certified Public Accountant (Practising)

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Independent Auditor's Report
To The Members Of
Association of HKEE's Social Service Limited
(Incorporated in Hong Kong as a company limited by guarantee) - Continued

Responsibilities of Executive committee members and Those Charged with Governance for the Financial Statements

The executive committee members are responsible for the preparation of 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 executive 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 executive 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 going concern basis of accounting unless the executive committee members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

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

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. My responsibility is to express an opinion on these financial statements based on my audit and to report my opinion solely to you, as a body, in accordance with section 405 of the 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 judgement 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.

CHENG WOON KAM
Certified Public Accountant (Practising)

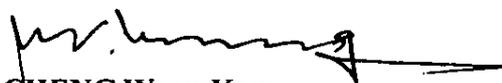
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Independent Auditor's Report
To The Members Of
Association of HKEE's Social Service Limited
(Incorporated in Hong Kong as a company limited by guarantee) - Continued

Auditor's Responsibilities for the Audit of the Financial Statements – Cont.

- 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 executive committee members.
- Conclude on the appropriateness of the executive committee members' use of 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 I conclude that a material uncertainty exists, I am required to draw attention to 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 association to cease to continue as a going concern.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that I identify during my audit.



CHENG Woon Kam
Certified Public Accountant (Practising)
Hong Kong
Date: 15 JAN 2022

Association of HKEE's Social Service Limited
Statement of Income and Retained Earnings
For The Year Ended 31 March, 2021

| | <u>Note</u> | <u>2021</u> <u>HK\$</u> | <u>2020</u> <u>HK\$</u> |
|-------------------------------------|-------------|----------------------------|----------------------------|
| Revenue | 4 | 743,362.10 | 788,906.40 |
| Direct costs | | (631,615.09) | (502,566.62) |
| | | <u>111,747.01</u> | <u>286,339.78</u> |
| Other income | 4 | 102,044.94 | 49.45 |
| | | <u>213,791.95</u> | <u>286,389.23</u> |
| Administrative expenses | | (74,789.27) | (7,205.00) |
| Surplus from operations | | <u>139,002.68</u> | <u>279,184.23</u> |
| Finance expenses | 5 | (693.36) | (660.00) |
| Surplus for the year | | <u>138,309.32</u> | <u>278,524.23</u> |
| Accumulated surplus brought forward | | 559,933.31 | 281,409.08 |
| Accumulated surplus carried forward | | <u><u>698,242.63</u></u> | <u><u>559,933.31</u></u> |

The notes on pages 9 to 13 form part of these financial statements.

Association of HKEE's Social Service Limited

Statement of Financial Position

As at 31 March, 2021

| | | <u>2021</u> | <u>2020</u> |
|----------------------------------|-------------|-------------|-------------|
| | <u>Note</u> | <u>HK\$</u> | <u>HK\$</u> |
| <u>Non-Current Assets</u> | | | |
| Property, plant & equipment | 7 | 59,416.00 | - |
| <u>Current Assets</u> | | | |
| Utility deposits | | 18,200.00 | 15,200.00 |
| Cash at banks | | 627,831.63 | 551,938.31 |
| | | 646,031.63 | 567,138.31 |
| <u>Less: Current Liabilities</u> | | | |
| Accrued charges | | 7,205.00 | 7,205.00 |
| | | 7,205.00 | 7,205.00 |
| <u>Net Current Assets</u> | | 638,826.63 | 559,933.31 |
| <u>Net Assets</u> | | 698,242.63 | 559,933.31 |
| Represented by :- | | | |
| <u>General Fund</u> | | | |
| Retained surplus | | 698,242.63 | 559,933.31 |



Chan Chi Hin

Executive Committee Member

Chairman



Cheung Wing Ho

Executive Committee Member

Vice Chairman

The notes on pages 9 to 13 form part of these financial statements.

Association of HKEE's Social Service Limited

Statement of Cash Flows

For The Year Ended 31 March, 2021

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| | <u>HK\$</u> | <u>HK\$</u> |
| <u>Operating activities</u> | | |
| Surplus for the year | 138,309.32 | 278,524.23 |
| Adjustments for : | | |
| Depreciation | 14,854.00 | - |
| Bank interest income | (4.94) | (49.45) |
| <i>Operating cash flows before movements in working capital</i> | 153,158.38 | 278,474.78 |
| (Increase) in utility deposits | (3,000.00) | (15,200.00) |
| Increase in accrued charges | - | 2,200.00 |
| <i>Net cash generated from operating activities</i> | 150,158.38 | 265,474.78 |
| <u>Investing activities</u> | | |
| Bank interest income | 4.94 | 49.45 |
| Purchases of property, plant & equipment | (74,270.00) | - |
| <i>Net cash (used in)/generated from investing activities</i> | (74,265.06) | 49.45 |
| <u>Net increase in cash and cash equivalents</u> | 75,893.32 | 265,524.23 |
| <u>Net cash and cash equivalents at beginning of the year</u> | 551,938.31 | 286,414.08 |
| <u>Net cash and cash equivalents at end of the year</u> | 627,831.63 | 551,938.31 |
| Analysis of balance of cash and cash equivalents | | |
| - Bank balances | 627,831.63 | 551,938.31 |

The notes on pages 9 to 13 form part of these financial statements.

Association of HKEE's Social Service Limited

Notes to Financial Statements

For The Year Ended 31 March, 2021

1. General Information

Association of HKEE's Social Service Limited (referred to as "the association") is a Company incorporated in Hong Kong as a Company limited by guarantee. The association's registered office is located at 1/F., 5-7 Yu Chau Street, Mong Kok, Kowloon. The association is established to carry out any charitable activities as allowed by its Articles of association.

The liability of each member to the association is limited to a guarantee of not more than HK\$100.00 each.

2. Basis of Preparation

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 Hong Kong Companies Ordinance under the historical cost convention.

3. Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statements are:-

a) Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the association and when the revenue can be measured reliably as follows:

- donation received is recognized when received;
- bank interest income is accrued on a time proportion basis on the principal outstanding and at the interest rate applicable;
- sales of food and beverages is recognized upon billing after consumption of foods and beverages;
- grant received is recognized when received;
- membership income is recognized when received; and
- sundry income is recognized when received.

Association of HKEE's Social Service Limited
Notes to Financial Statements
For The Year Ended 31 March, 2021

3. Summary of Significant Accounting Policies (Continued)

b) Property, Plant & Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Where the Company prepaid cost included in property, plant and equipment on initial the cost of items of property, plant and equipment comprises the following:

- the purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The principal annual rate used for depreciation on furniture & fixtures is 20%.

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised retrospectively to reflect the new expectations.

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

Association of HKEE's Social Service Limited
Notes to Financial Statements
For The Year Ended 31 March, 2021

3. Summary of Significant Accounting Policies (Continued)

c) Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- (i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the Company; or has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
- (ii) a party which is a jointly-controlled entity;
- (iii) a party which is an associate;
- (iv) a party which is a member of the key management personnel of the Company or its parent;
- (v) a party which is a close member of the family of any individual referred to in (i) or (iv);
- (vi) a party which is an entity that is controlled, jointly-controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, and individual referred to in (iv) or (v); or
- (vii) a party which is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

d) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise short-term and highly liquid investments which are readily convertible into 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, less bank overdrafts which are repayable on demand and form an integral part of the Association's cash management.

e) Operating Leases

Leases where substantially all the risks and rewards of ownership of assets 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.

Association of HKEE's Social Service Limited

Notes to Financial Statements

For The Year Ended 31 March, 2021

4. Revenue

An analysis of the association's revenue is as follows:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| | <u>HK\$</u> | <u>HK\$</u> |
| <u>Revenue</u> | | |
| Donation received on social service | 690,355.00 | 699,599.00 |
| Sales income on light refreshment business | 53,007.10 | 14,499.00 |
| Activity sponsor fee income | - | 74,808.40 |
| | <u>743,362.10</u> | <u>788,906.40</u> |
| <u>Other Income</u> | | |
| Bank interest income | 4.94 | 49.45 |
| Grant received | 100,000.00 | - |
| Membership income | 200.00 | - |
| Sundry income | 1,840.00 | - |
| | <u>102,044.94</u> | <u>49.45</u> |
| | <u>845,407.04</u> | <u>788,955.85</u> |

5. Finance Expenses

| | <u>2021</u> | <u>2020</u> |
|-------------------------|---------------|---------------|
| | <u>HK\$</u> | <u>HK\$</u> |
| Bank interest & charges | <u>693.36</u> | <u>660.00</u> |

6. Executive Committee Members' Emoluments

Executive committee members' emolument for the year is disclosed as follow:-

| | <u>2021</u> | <u>2020</u> |
|------------------|-------------|-------------|
| | <u>HK\$</u> | <u>HK\$</u> |
| Fees | - | - |
| Other emoluments | - | - |
| | <u>-</u> | <u>-</u> |

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Association of HKEE's Social Service Limited
Notes to Financial Statements
For The Year Ended 31 March, 2021

7. Property, Plant & Equipment

| | <u>Furniture & Fixtures</u> <u>HK\$</u> |
|--------------------------|--|
| Cost | |
| At 1/4/2020 | - |
| Additions | 74,270.00 |
| At 31/3/2021 | <u>74,270.00</u> |
| Accumulated depreciation | |
| At 1/4/2020 | - |
| Charges | 14,854.00 |
| At 31/3/2021 | <u>14,854.00</u> |
| Net carrying amount | |
| At 31/3/2021 | <u>59,416.00</u> |
| At 31/3/2020 | <u>-</u> |

8. Taxation

No Hong Kong profits tax has been provided in these financial statements as the association is exempt from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance.

9. Commitments under Operating Leases

The Association had the following total future minimum lease payments payable under non-cancellable operating leases in respect of its light refreshment shop premises as follows:-

| | <u>2021</u> <u>HK\$</u> | <u>2020</u> <u>HK\$</u> |
|--------------------|----------------------------|----------------------------|
| Within one year | 1,500.00 | 3,600.00 |
| More than one year | - | 1,500.00 |
| | <u>1,500.00</u> | <u>5,100.00</u> |

10. Approval of Financial Statements

The financial statements were approved and authorized for issue by the association's executive committee on 12 JAN 2022

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Association of HKEE's Social Service Limited
Detailed Statement of Income and Retained Earnings
For The Year Ended 31 March, 2021
(For management information only)

| | <u>2021</u> <u>HK\$</u> | <u>2020</u> <u>HK\$</u> |
|---|----------------------------|----------------------------|
| <u>Income</u> | | |
| - Social service operation | | |
| Donation received | 690,355.00 | 699,599.00 |
| Less: Direct service expenses | 489,753.84 | 415,025.04 |
| Gross surplus on operation | 200,601.16 | 284,573.96 |
| - Light refreshment business operation | | |
| Sales | 53,007.10 | 14,499.00 |
| Less: Purchases and related cost | 141,861.25 | 19,129.00 |
| Gross (loss) on operation | (88,854.15) | (4,630.00) |
| - Event operation | | |
| Activity sponsor fee received | - | 74,808.40 |
| Less: Direct expenses | - | 68,412.58 |
| Gross surplus on operation | - | 6,395.82 |
| Total gross surplus | 111,747.01 | 286,339.78 |
| Add: <u>Other Income</u> | | |
| Bank interest income | 4.94 | 49.45 |
| Grant received | 100,000.00 | - |
| Membership income | 200.00 | - |
| Sundry income | 1,840.00 | - |
| | 102,044.94 | 49.45 |
| | 213,791.95 | 286,389.23 |
| Less: <u>Administrative Expenses</u> | | |
| Audit fee | 7,000.00 | 7,000.00 |
| Cleaning | 40,000.00 | - |
| Computer expenses | 800.00 | - |
| Depreciation | 14,854.00 | - |
| Donation | 10,000.00 | - |
| Licence fee | 570.00 | - |
| Printing & stationery | 160.27 | - |
| Sundry expenses | 1,405.00 | 205.00 |
| | 74,789.27 | 7,205.00 |
| Surplus from operations | 139,002.68 | 279,184.23 |
| Less: <u>Finance Expenses</u> | | |
| Bank interest & charges | 693.36 | 660.00 |
| Surplus for the year | 138,309.32 | 278,524.23 |
| Accumulated surplus brought forward | 559,933.31 | 281,409.08 |
| Accumulated surplus carried forward | 698,242.63 | 559,933.31 |

