

**Advocates For Children And The Aged Limited**  
**扶攜會有限公司**  
**(Limited by Guarantee)**

**Executive Committee Members' Report and Financial Statements**  
**For the year ended 31 March 2021**

Advocates For Children And The Aged Limited  
扶攜會有限公司



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**Advocates For Children And The Aged Limited**  
**扶攜會有限公司**  
**(Limited by Guarantee)**

**Contents**

	<b>Page</b>
<b>Executive Committee Members' Report</b>	<b>1 - 2</b>
<b>Independent Auditor's Report</b>	<b>3 - 5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Statement of Financial Position</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Statement of Cash Flows</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 21</b>

# **Advocates For Children And The Aged Limited**

扶攜會有限公司

(Limited by Guarantee)

## **Executive Committee Members' Report**

**For the year ended 31 March 2021**

The Executive Committee Members have pleasure in submitting their report together with the audited financial statements of Advocates For Children And The Aged Limited (the "Centre") for the year ended 31 March 2021.

### **Principal activities**

The principal activities of the Centre is for relief of poverty and sickness and on a non-profit making basis, to promote and provide for holistic daily care and therapeutic intervention to children and elderly in need and to relieve such families who are in conditions of needs, hardship or distress. There are no significant changes in the nature of the activities during the year.

### **Results and appropriations**

The results of the Centre for the year ended 31 March 2021 and the state of affairs of the Centre at that date are set out on pages 6 to 21.

### **Executive Committee Members**

The Executive Committee Members who held office during the year and at the date of this report are:

JANG Chun Yu

CHIM Cheuk Lam

CHAN Hung Kai

(Appointed on 1 July 2021)

(Resigned on 1 July 2021)

In accordance with Article 27 of the Centre's Articles of Association, the term of office of an Executive Committee Members is two year. The retiring Executive Committee Members shall be eligible for re-election.

### **Executive Committee Members' interests in transactions, arrangements or contracts**

Save as disclosed in note 14 to the financial statements, no other contracts of significance to which the Centre was a party, and in which an Executive Committee Members of the Centre had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### **Management contracts**

The Centre has not entered into any contract whereby the management and administration of the whole or any substantial part of the Centre's business have been undertaken by a party other than the Centre's Executive Committee Members or employees.

### **Equity-linked agreements**

No equity-linked agreements into which the Centre entered subsisted at any time during the year.

# **Advocates For Children And The Aged Limited**

扶攜會有限公司

(Limited by Guarantee)

## **Executive Committee Members' Report**

**For the year ended 31 March 2021**

### **Permitted indemnity provisions**

No permitted indemnity provisions were in force during the year, or is in force at the date of this report, for the benefit of a then Executive Committee Member or an Executive Committee Member of the Centre (whether made by the Centre or otherwise).

### **Business review**

The Centre falls within reporting exemption for the financial year. Accordingly, the Centre is exempted from preparing a business review.

### **Auditor**

The financial statements have been audited by Messrs FTW & Partners CPA Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Chairman

JANG Chun Yu

Hong Kong, 31 DEC 2021

**Independent Auditor's Report to the Members of  
Advocates For Children And The Aged Limited**

**扶攜會有限公司**

(incorporated in Hong Kong and limited by guarantee)

**Opinion**

We have audited the financial statements of Advocates For Children And The Aged Limited (the "Centre") set out on pages 6 to 21, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity 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 Centre 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 Standards for Private Entities ("HKFRSs 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 ("HKSA") 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 Centre 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.

**Other Information**

The Executive Committee Members are responsible for the other information. The other information obtained at the date of this independent auditor's report is information included in the Executive Committee Members' report, but does not include the financial statements and our independent 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.

**Independent Auditor's Report to the Members of  
Advocates For Children And The Aged Limited**

**扶攜會有限公司**

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**Responsibilities of the Executive Committee Members for the Financial Statements**

The Executive Committee Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs 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 Centre'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 Executive Committee Members either intend to liquidate the Centre or to cease operations, or have no realistic alternative but to do so.

**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 independent auditor's report that includes our opinion. We report our opinion 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 scepticism 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 Centre'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.

**Independent Auditor's Report to the Members of  
Advocates For Children And The Aged Limited**

**扶攜會有限公司**

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**Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Conclude on the appropriateness of the Executive 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 Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent 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 independent auditor's report. However, future events or conditions may cause the Centre 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.

We communicate with Executive 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.

A handwritten signature in black ink, appearing to read 'HONG Kwok Kei', written in a cursive style.

**FTW & Partners CPA Limited**  
**Certified Public Accountants**  
**Hong Kong, 31 DEC 2021**

**HONG Kwok Kei**  
**Practising Certificate Number: P7028**

**Advocates For Children And The Aged Limited**  
**扶攜會有限公司**  
**(Limited by Guarantee)**

**Statement of Comprehensive Income**  
**For the year ended 31 March 2021**

	Note	2021 HK\$	2020 HK\$
<b>INCOME</b>			
Activity income		1,544,526	1,499,180
Donation income		1,041,430	633,247
Interest income		1	45,035
Subsidy income under Employment Support Scheme		155,400	-
Sundry income		3,000	-
	<b>4</b>	<u>2,744,357</u>	<u>2,177,462</u>
<b>EXPENSES</b>			
<b>Staff costs</b>			
Salaries and allowance		(163,478)	(795,282)
Mandatory provident fund contributions		(11,576)	(35,170)
	<b>6</b>	<u>(175,054)</u>	<u>(830,452)</u>
<b>Amortisation and depreciation</b>			
Depreciation on furniture and fixture		(47,672)	(47,674)
Depreciation on leasehold improvements		(120,000)	(120,000)
	<b>8</b>	<u>(167,672)</u>	<u>(167,674)</u>
<b>Other operating expenses</b>			
Activity expenses		(201,200)	(291,086)
Bank charges		(767)	(746)
Computer and internet expenses		(3,467)	(16,412)
Electricity and water		(15,979)	(31,663)
Legal and professional fees		(1,400)	(1,505)
Insurance		(8,935)	(12,575)
Rent and rates		(751,458)	(772,923)
Subcontractors		-	(92,375)
Sundry expenses		(401)	(1,852)
		<u>(983,607)</u>	<u>(1,221,137)</u>
<b>Surplus/(deficit) from operation and before taxation</b>	<b>5</b>	1,418,024	(41,801)
<b>Taxation</b>	<b>7</b>	-	-
<b>Total comprehensive income/(loss) for the year</b>		<u>1,418,024</u>	<u>(41,801)</u>

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

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Statement of Financial Position

As at 31 March 2021

	Note	2021 HK\$	2020 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	8	-	167,672
Investment in an associate	9	50	50
		<u>50</u>	<u>167,722</u>
<b>Current assets</b>			
Account and other receivables	10	356,239	282,105
Due from associate	9	320,403	95,403
Bank balances and cash		2,068,165	884,120
		<u>2,744,807</u>	<u>1,261,628</u>
<b>Current liabilities</b>			
Account and other payables	11	632	103,149
Due to associate	9	50	50
		<u>682</u>	<u>103,199</u>
<b>Net current assets</b>		<u>2,744,125</u>	<u>1,158,429</u>
<b>Net assets</b>		<u>2,744,175</u>	<u>1,326,151</u>
<b>Represented by:</b>			
Accumulated surpluses	13	<u>2,744,175</u>	<u>1,326,151</u>

The financial statements were approved by the Centre on **31 DEC 2021**  
and signed on its behalf by

  
\_\_\_\_\_  
Director  
JANG Chun Yu

  
\_\_\_\_\_  
Director  
CHIM Cheuk Lam

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

**Advocates For Children And The Aged Limited**  
**扶攜會有限公司**  
**(Limited by Guarantee)**

**Consolidated Statement of Changes in Equity**  
**For the year ended 31 March 2021**

	<b>Accumulated surplus HK\$</b>	<b>Total HK\$</b>
<b>At 1 April 2019</b>	1,367,952	1,367,952
Total comprehensive loss for the year	<u>(41,801)</u>	<u>(41,801)</u>
<b>At 31 March 2020 and at 1 April 2020</b>	1,326,151	1,326,151
Total comprehensive income for the year	<u>1,418,024</u>	<u>1,418,024</u>
<b>At 31 March 2021</b>	<u><u>2,744,175</u></u>	<u><u>2,744,175</u></u>

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

**Advocates For Children And The Aged Limited**  
**扶攜會有限公司**  
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**Statement of Cash Flows**  
**For the year ended 31 March 2021**

	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Cash flows from operating activities</b>		
Surplus/(deficit) before taxation	1,418,024	(41,801)
Adjustment for:		
Depreciation	167,672	167,674
Interest income	(1)	(45,035)
	<u>1,585,695</u>	<u>80,838</u>
(Increase)/decrease in account and other receivables	(74,134)	150,194
(Decrease)/increase in account and other payables	(102,517)	23,936
Movements in balances with related parties	<u>(225,000)</u>	<u>(49)</u>
<b>Cash generated from operations</b>	1,184,044	254,919
Bank interest income received	<u>1</u>	<u>45,035</u>
<b>Net cash from operating activities</b>	<u>1,184,045</u>	<u>299,954</u>
<b>Cash flows from investing activities</b>		
Net inflow from disposal of subsidiary	<u>-</u>	<u>49</u>
<b>Net cash from investing activities</b>	<u>-</u>	<u>49</u>
<b>Net increase in cash and cash equivalents</b>	1,184,045	300,003
<b>Cash and cash equivalents at beginning of the year</b>	<u>884,120</u>	<u>584,117</u>
<b>Cash and cash equivalents at end of the year</b>	<u>2,068,165</u>	<u>884,120</u>
<b>Analysis of cash and cash equivalents</b>		
Bank and cash balances	<u>2,068,165</u>	<u>884,120</u>

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

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 1. General

Advocates For Children And The Aged Limited (the "Centre") is a non-profit making corporation and is limited by guarantee. Its registered office is located at Flat C, 5/F., Hop Hing Industrial Building, No. 704 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong.

Income of the Centre, whomsoever derived, shall be applied solely towards the promotion of the objects of the Centre, as set forth in its Memorandum of Association, and no portion thereof shall be payable to the members of the Centre. The maximum amount of capital guaranteed by each member is HK\$1.

The Centre is an approved charitable institution and is accordingly exempt from profits tax under Section 88 of the Inland Revenue Ordinance.

The principal activities of the Centre is for relief of poverty and sickness and on a non-profit making basis, to promote and provide for holistic daily care and therapeutic intervention to children and elderly in need and to relieve such families who are in conditions of needs, hardship or distress. There are no significant changes in the nature of the activities during the year.

### 2. Principal accounting policies

#### 2.1. Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards for Private Entities ("HKFRSs for Private Entities"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of Hong Kong Companies Ordinance.

The preparation of financial statements in conformity with HKFRSs for Private Entities requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs for Private Entities that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 2. Principal accounting policies (Cont'd)

#### 2.2. Changes in accounting policies and adoption of new/revised HKFRSs for Private Entities

During the year, the Centre has adopted all amendments to existing accounting standards effective for the first time for the financial year beginning on 1 April 2020, which do not have any significant impact on the Centre's results and financial position.

#### 2.3. Reporting currency

The financial statements are presented in Hong Kong dollar which is the Centre's functional and presentation currency.

#### 2.4. Associate

Associate is an entity, including an unincorporated entity such as a partnership, over which the Centre has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

Investments in associate are accounted for at cost less any accumulated impairment losses. The Centre recognises dividends and other distributions received from the investment as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

#### 2.5. Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that non-financial assets, including item of property, plant and equipment and investment in an associate, may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

##### i. Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 2. Principal accounting policies (Cont'd)

#### 2.5. Impairment of non-financial assets (Cont'd)

##### ii. Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

##### iii. Reversals of impairment losses

An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### 2.6. Impairment of financial assets

Financial assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If any such evidence exist, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

#### 2.7. Government grants

Government grants are recognised as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the Centre will comply with the conditions attaching of them and the grants will be received. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity, with no future related costs, is recognised as income of the period in which it becomes receivable. Government grants received before the revenue recognition criteria are recognised as a liability.

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 2. Principal accounting policies (Cont'd)

#### 2.8. Property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss on derecognition of the asset, calculated on the difference between the net disposal proceeds and the carrying amount of the item, is included in the profit or loss in the year the item is derecognised.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful lives, as follows:

Leasehold improvements	- 20% straight line
Furniture and fixtures	- 20% straight line

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at each end of the reporting period.

Any 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.

#### 2.9. Recognition of revenue and other income

Provided it is probable that the economic benefit will flow to the Centre and the revenue can be measured reliably, revenue and other income are recognised in profit or loss as follows:

- i) Donation in come is recognised when received;
- ii) Income from activity is recognised when service and activity completed;
- iii) Interest income from bank deposits is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable; and
- iv) Sundry income are recognised when the right to receive payment has been established.

#### 2.10. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in 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. Bank overdrafts that are repayable on demand and form an integral part of the Centre's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 2. Principal accounting policies (Cont'd)

#### 2.11. Related parties

For the purpose of these financial statements, parties are considered to be related to the Centre if,

- (a) A person or a close member of that person's family, is related to the Centre if that person:
  - (i) is a member of the key management personnel of the Centre or of a parent of the Centre;
  - (ii) has control or jointly control over the Centre; or
  - (iii) has significant influence over the Centre.
- (b) An entity is related to the Centre if any of the following conditions applies:
  - (i) the entity and the Centre are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) either entity is an associate or joint venture of the other entity (or of a member of the centre of which the other entity is a member).
  - (iii) both entities are joint ventures of a third party.
  - (iv) either entity is a joint venture of a third entity and other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Centre or an entity related to the Centre. If the Centre is itself such a plan, the sponsoring employers are also related to the plan.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a) (i) has significant voting power in the entity.
  - (viii) a person identified in (a)(ii) has significant influence over the entity or significant voting power in it.
  - (ix) a person or a close member of that person's family has both significant influence over the entity or significant voting power in it and joint control over the Centre.
  - (x) a member of the key management personnel of the entity or of a parent of the entity, or a close member of that member's family, has control or joint control over the Centre or has significant voting power in it.

#### 2.12. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Centre. All other leases are classified as operating leases.

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 2. Principal accounting policies (Cont'd)

#### 2.13. Employee benefits

Salaries, annual bonuses and other staff costs are accrued in the year in which the associated services are rendered by employees of the Centre. Where payment or settlement is deferred and the effect would be material, provisions are made for the estimated liability as a result of services rendered by employees up to the end of the reporting period.

The centre joined a Mandatory Provident Fund ("MPF") scheme for its employees in Hong Kong. The assets of the MPF scheme are held separately from those of the Centre in independently administered funds. Under the rules of the MPF scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. Contributions to the defined contribution pension scheme are recognised as an expense in profit or loss as incurred.

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Centre recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

#### 2.14. Provisions and contingent liabilities

Provisions are recognised when the Centre has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### 2.15. Other receivables

Other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 2. Principal accounting policies (Cont'd)

#### 2.16. Other payables

Other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### 3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 3.1. Critical accounting estimates and assumptions

The Centre makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a). Useful lives of property, plant and equipment

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives which are determined by the centre. Should the useful lives of these assets differ from that previously estimated, the calculation of depreciation charges would be affected.

(b). Impairment loss of interest in associates

The carrying value of interest in associates are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable in accordance with the accounting policies of the centre.

(c). Fair value estimation

The fair values of account and other receivables, bank balances and cash and account and other payables are not materially different from their carrying values.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 4. Revenue and other income

Revenue and other income of the Centre for the year are consisted of:

	2021 HK\$	2020 HK\$
<b>Revenue</b>		
Activity income	1,544,526	1,499,180
Donation income	1,041,430	633,247
	<u>2,585,956</u>	<u>2,132,427</u>
<b>Other income</b>		
Interest income	1	45,035
Subsidy income under Employment Support Scheme	155,400	-
Sundry income	3,000	-
	<u>158,401</u>	<u>45,035</u>
	<u>2,744,357</u>	<u>2,177,462</u>

### 5. Surplus/(deficit) before tax

	2021 HK\$	2020 HK\$
<b>Surplus/(deficit) before tax has been arrived at after charging:</b>		
Depreciation of property, plant and equipment	167,672	167,674
Operating lease rentals		
- Land and buildings	751,458	772,923
	<u>919,130</u>	<u>940,597</u>
<b>and after crediting:</b>		
Interest income	1	45,035
	<u>919,131</u>	<u>985,632</u>

### 6. Staff costs

	2021 HK\$	2020 HK\$
Wages and salaries	175,054	830,452

#### Executive Committee Members' remuneration

None of the Executive Committee Members' have received any emoluments in respect of their services provided to the Centre during the year (2020: Nil).

### 7. Taxation

Provision for Hong Kong Profits Tax has not been made as the Centre is exempted from all taxes under Section 88 of the Inland Revenue Ordinance (2020: Nil).

**Advocates For Children And The Aged Limited**  
**扶攜會有限公司**  
**(Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**8. Property, plant and equipment**

	<b>Leasehold improvements HK\$</b>	<b>Furniture and fixtures HK\$</b>	<b>Total HK\$</b>
<b>Cost</b>			
At 1.4.2019 and at 31.3.2020	<u>600,000</u>	<u>238,368</u>	<u>838,368</u>
<b>Accumulated depreciation</b>			
At 1.4.2019	360,000	143,022	503,022
Charge for the year	<u>120,000</u>	<u>47,674</u>	<u>167,674</u>
At 31.3.2020	<u>480,000</u>	<u>190,696</u>	<u>670,696</u>
<b>Cost</b>			
At 1.4.2020 and at 31.3.2021	<u>600,000</u>	<u>238,368</u>	<u>838,368</u>
<b>Accumulated depreciation</b>			
At 1.4.2020	480,000	190,696	670,696
Charge for the year	<u>120,000</u>	<u>47,672</u>	<u>167,672</u>
At 31.3.2021	<u>600,000</u>	<u>238,368</u>	<u>838,368</u>
<b>Net carrying amount</b>			
At 31.3.2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31.3.2020	<u>120,000</u>	<u>47,672</u>	<u>167,672</u>

**9. Interest in an associate**

	<b>2021 HK\$</b>	<b>2020 HK\$</b>
Unlisted shares, at cost		
Balance b/f	50	-
Transfer from interest in subsidiaries	<u>-</u>	<u>50</u>
Balance c/f	50	50
Due from associate	320,403	95,403
Due to associate	<u>(50)</u>	<u>(50)</u>
	<u>320,403</u>	<u>95,403</u>

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 9. Interest in an associate (Cont'd)

The advances to associate are interest free, unsecured and repayable on demand. The amounts advanced from associate are interest free, unsecured and no fixed terms of repayment.

In the opinion of the directors of the Centre, the diminution in value of the associates below cost is not permanent, and no provision for impairment loss is made. The results and assets and liabilities of associates are recognised in the financial statements using equity method of accounting.

9.1. Details of the associates of the Centre at the end of reporting period are as follows:

Name of associate	Place of incorporation	Class of shares held	Percentage held directly	Business activities
Gatherhome Limited	Hong Kong	Ordinary	50% direct held (2020: 50% direct held)	Investment holding
Gatherhome Management Limited	Hong Kong	Ordinary	50% indirect held (2020: 50% indirect held)	Properties management services

A summary of financial information in respect of the associates is set out below: -

	2021 HK\$	2020 HK\$
Total assets	101	101
Total liabilities	112,583	89,333
	<u>(112,482)</u>	<u>(89,232)</u>
Share of net assets	<u>(56,241)</u>	<u>(44,616)</u>
Revenue	-	-
Loss after tax	<u>23,250</u>	<u>34,760</u>

**Advocates For Children And The Aged Limited**  
**扶攜會有限公司**  
(Limited by Guarantee)

**Notes to the Financial Statements**  
**For the year ended 31 March 2021**

**10. Account and other receivables**

	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Accounts receivables	157,684	83,550
Deposit paid and prepayments	198,555	198,555
	<u>356,239</u>	<u>282,105</u>

**11. Account and other payables**

	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Other payables	632	-
Accruals	-	103,149
	<u>632</u>	<u>103,149</u>

**12. Commitment under operating leases**

At the end of the reporting period, the total future minimum lease payments payable under non-cancellable operating leases were as follows:

	<b>2021</b>	<b>2020</b>
	<b>HK\$</b>	<b>HK\$</b>
Land and buildings		
- Not later than one year	667,000	696,000
- Later than one year and not later than five years	-	667,000
	<u>667,000</u>	<u>1,363,000</u>

**13. Movements of reserves**

	<b>Accumulated</b>	<b>Total</b>
	<b>surpluses</b>	<b>HK\$</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>At 1 April 2019</b>	1,367,952	1,367,952
Total comprehensive loss for the year	(41,801)	(41,801)
<b>At 31 March 2020 and at 1 April 2020</b>	1,326,151	1,326,151
Total comprehensive income for the year	1,418,024	1,418,024
<b>At 31 March 2021</b>	<u>2,744,175</u>	<u>2,744,175</u>

# Advocates For Children And The Aged Limited

扶攜會有限公司

(Limited by Guarantee)

## Notes to the Financial Statements

For the year ended 31 March 2021

### 14. Related party transactions

(a) During the year, the centre had entered into the following related party transactions:

Nature of transaction	Name of related company	2021	2020
		HK\$	HK\$
Activity income	McKenzie & Associates Rehabilitation Services Limited	360,000	360,000
Interest income	McKenzie & Associates Rehabilitation Services Limited	-	45,035
		<u>                    </u>	<u>                    </u>

CHAN Hung Kai and JANG Chun Yu, Executive Committee Members of the Centre, are also the directors of the above related company.

(b) Outstanding balances with related parties

(i) As disclosed in the statement of financial position, the Centre had an outstanding balance of due from associate of HK\$320,403 (2020: HK\$95,403) as at the end of the reporting period. These balances are unsecured, interest free and repayable on demand.

(ii) As disclosed in the statement of financial position, the Centre had an outstanding balance of due to associate of HK\$50 (2020: HK\$50) as at the end of the reporting period. These balances are unsecured, interest free and with no fixed terms of repayment.

### 15. Events after the end of the reporting period

After the end of the reporting period, the Centre has transferred the shares of associate to a related company at the book value.