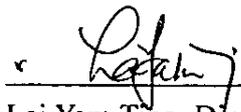


Certified true copy by:


Lai Yam Ting, Director

A-ONE KINDERGARTEN LIMITED
第一幼稚園有限公司

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST, 2020

邱榮樂執業會計師
RICKY W. L. YAU
CERTIFIED PUBLIC ACCOUNTANT

Room 2317 Asia Trade Centre,
79 Lei Muk Road, N.T., HONG KONG.



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A-ONE KINDERGARTEN LIMITED

DIRECTORS' REPORT

The directors hereby submit to members their report and financial statements for the year ended 31 August, 2020.

PRINCIPAL ACTIVITY

The principal activity of the kindergarten is engaged in provision of services of Kindergarten.

ACCOUNTS

The profit of the Kindergarten for the year ended 31 August, 2020 and the state of the Kindergarten's affairs at that date are set out in the financial statements on pages 4 to 15.

DIRECTORS

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

Mr. Lai Wai Yeung

Mr. Lai Chuen Kam

Mr. Lai Pan Yeung

Mr. Lai Yam Ting

There is no provision in the Kindergarten's articles of association for retirement by rotation, all existing directors continue in office for the ensuing year.

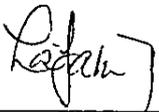
MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the Kindergarten were entered into or existed during the year.

AUDITORS

The financial statements have been audited by Messrs. Ricky W.L. Yau, Certified Public Accountant now retire, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD

x 

Lai Yam Ting, CHAIRMAN

HONG KONG, 12 January, 2021

邱榮樂執業會計師
RICKY W. L. YAU CERTIFIED PUBLIC ACCOUNTANT
REPORT OF THE AUDITORS TO THE MEMBERS OF
A-ONE KINDERGARTEN
第一幼稚園

Opinion

We have audited the financial statements of A-One Kindergarten (the "Company") set out on pages 4 to 15, which comprise the statement of financial position as at 31 August, 2020, and the statement of comprehensive income, the statement of changes in equity and the 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 kindergarten has used the government subsidies in accordance with the rules and ambits as promulgated in the EDBC No. 7/2016, 13/2017, 15/2017, 23/2017 relevant letters, circulars, circular memoranda and guidelines (in particular "Expenditure of Kindergarten under the Pre-primary Education Voucher Scheme-Guiding Principles on Scope of Expenditure") issued by the Education Bureau, and the financial statements give a true and fair view of the state of the Kindergarten's affairs as at 31st August, 2020 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA's") 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 basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our 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 have required to report that fact. We have nothing to report in this regards.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the HKFRSPE 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.

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

The Directors 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report. In addition, we are also engaged to report as to whether the Kindergarten has used the government subsidiaries in accordance with applicable rules issued by the Education Bureau.

Auditor's Responsibilities for the Audit of the Financial Statements

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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, further events or conditions may cause the Company 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 and transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.



RICKY W.L. Yau
Certified Public Accountant
Room 2317, 23rd Floor, Asia Trade Centre,
79 Lei Muk Road, Kwai Chung, N. T
12 January, 2021.

A-ONE KINDERGARTEN LIMITED
第一幼稚園有限公司

STATEMENT OF FINANCIAL POSITION AS AT 31st AUGUST, 2020

	Note	2020 HK\$	2019 HK\$
FIXED ASSETS	4	82,989	78,850
Building and Grounds			-
		<u>82,989</u>	<u>78,850</u>
CURRENT ASSETS			
Current Asset		-	-
Deferred Assets		-	-
Rental, Utility and Other Deposits and Prepayments		80,600	119,877
Bank Interest receivable		9,019	6,217
Cash at bank and in hand		3,854,110	2,855,428
TOTAL CURRENT ASSETS		<u>3,943,729</u>	<u>2,981,522</u>
CURRENT LIABILITIES			
Amounts received in Advance	5	134,891	169,812
Creditor		-	-
Sundry Creditors and Accruals		579,837	430,610
Amount due to A-One Kindergarten	6	-	-
		<u>714,728</u>	<u>600,422</u>
NET CURRENT ASSETS		<u>3,229,001</u>	<u>2,381,100</u>
NET ASSETS		<u>3,311,990</u>	<u>2,459,950</u>
Represented by:			
FUNDS			
ACCUMULATED SURPLUS		3,171,990	2,459,950
SURPLUS OF GRANTS/SUBSIDIES FROM GOVERNMENT RESERVE	7	140,000.0	-
		<u>-</u>	<u>-</u>
		<u>3,311,990</u>	<u>2,459,950</u>

The financial statements on pages 4 to 15 were approved and authorised for issue by the board of directors on 12 January, 2021.



 Lai Yam Tung, Director



 Lai Chuen Kam, Director

A-ONE KINDERGARTEN LIMITED
第一幼稚園有限公司

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st AUGUST, 2020

	2020	2019
	HK\$	HK\$
INCOME		
Tuition fees	6,760,530	5,926,580
Bank Interest Received	22,874	11,621
Rental subsidy	225,000	194,400
Surplus on trading account	13,078	16,929
Sundry income	278,767	334,781
	<u>7,300,249</u>	<u>6,484,311</u>
EXPENDITURE		
Auditors' remuneration	24,000	23,000
Bank charges	1,000	703
Cleaning	14,300	21,649
Accounting and company secretary fee	32,000	35,500
Legal & Professional	6,100	3,500
Advertising	20,159	20,043
Depreciation	29,451	198,788
Promotional for reading expenses	10,820	-
Electricity and water	32,968	41,823
Teaching Consumables	19,670	21,447
Insurance	30,426	31,962
Mandatory Provident Fund contributions	280,064	199,421
Miscellaneous	42,283	43,396
Postage	10,590	2,784
Rates	22,467	30,198
Rent	450,000	420,000
Repairs and maintenance	55,791	47,112
Salaries and allowances	5,276,161	4,449,409
Training allowances	12,854.00	51,840.00
Telephone	34,339	10,509
Travelling	182,765	144,972
	<u>6,588,209</u>	<u>5,798,056</u>
SURPLUS/(DEFICIT) FOR THE YEAR	712,040	686,255
OTHER COMPREHENSIVE/(LOSS) FOR THE YEAR		
Net movement in Teacher Development Subsidy	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YE.	<u>712,040</u>	<u>686,255</u>

A-ONE KINDERGARTEN LIMITED
第一幼稚園有限公司

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31st AUGUST, 2020

	One-off Start-up Grant HK\$	Teacher development subsidy HK\$	Accumulated surplus HK\$	Total HK\$
Balance as at 31st August, 2018	112,888	-	1,773,695	1,886,583
Total comprehensive income for the year 2019	<u>(112,888)</u>	<u>-</u>	<u>686,255</u>	<u>573,367</u>
Balance as at 31st August, 2019	-	-	2,459,950	2,459,950
Total comprehensive income/(loss) for the year 2020	<u>140,000</u>	<u>-</u>	<u>712,040</u>	<u>852,040</u>
Balance as at 31st August, 2020	<u>140,000</u>	<u>-</u>	<u>3,171,990</u>	<u>3,311,990</u>

A-ONE KINDERGARTEN LIMITED
第一幼稚園有限公司

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st AUGUST, 2020

	2020	2019
	HKS	HKS
OPERATING ACTIVITIES		
Surplus/(deficit) for the year	712,040	686,258
Deficit on teacher development subsidy	-	-
Surplus on One-off grant for Kindergarten Development Fund	140,000	(112,888)
Adjustment for:		
Depreciation	29,451	198,789
Interest income	(22,874)	(11,621)
Operating cash inflows before movements in working capital	<u>858,617</u>	<u>760,538</u>
(Increase)/decrease in rental, utility and other deposits and prepayments	39,277	(54,817)
(Increase)/decrease in bank interest receivable	(2,802)	13,697
(Decrease)/increase in amounts received in advance	(34,921)	(71,761)
Increase/(Decrease) in sundry creditors and accruals	<u>149,227</u>	<u>15,135</u>
Net cash generated from operating activities	<u>1,009,398</u>	<u>662,792</u>
INVESTING ACTIVITIES		
Disposal of property, plant and equipment	(33,590)	(11,326)
Bank interest received	<u>22,874</u>	<u>11,621</u>
Net cash used in investing activities	<u>(10,716)</u>	<u>295</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	998,682	663,087
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,855,428</u>	<u>2,192,341</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>3,854,110</u>	<u>2,855,428</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	<u>3,854,110</u>	<u>2,855,428</u>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

A-One Kindergarten Limited (“the Kindergarten”) was incorporated under the Hong Kong Companies Ordinance as a company limited by guarantee. Every member of the Kindergarten undertakes to contribute to the assets of the company of required in the event of its being wound up such amounts not exceeding HK\$20. The Kindergarten was engaged in provision of services of kindergarten.

The Kindergarten is a non-profit organization registered with Hong Kong Education Bureau in Hong Kong. The address of its registered office is G/F., Kam Hon House, Choi Hung Estate, Choi Hung, Kowloon, Hong Kong.

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

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The following revised standards and amendments which are relevant to the Kindergarten’s financial statements have been adopted in the current year but have no effect on the amounts reported in these financial statements.

- HKAS 1, Presentation of Financial Statements
- Amendments to HKFRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- Improvements to HKFRSs

The improvements to HKFRSs have had no material impact on the Kindergarten’s financial statements.

HKAS 1 has introduced terminology changes (including revised titles for financial statements) and changes in the presentation and disclosures of financial statements. The revised standard requires the entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or two statements (a separate income statement and a statement of comprehensive income). The Kindergarten has elected to present one statement of comprehensive income. This change in presentation has no effect on reported surplus or deficit, total income and expense or net assets for any year presented. Accordingly, the comprehensive figures have not been restated. In addition, the Kindergarten has adopted the revised title “Statement of cash flows” for the “Cash flow statement”.

The amendments to HKFRS 7 requires expanded disclosure about the fair value measurement of the Kindergarten’s financial instruments, categorizing these fair value measurements into a three-level fair values hierarchy according to the extent to which they are base on observable market data. This amendment has no material impact on the Kindergarten’s financial statements as the company has no such financial instruments.

The Kindergarten has not early applied the other new standards, amendments and interpretations that have been issued but not yet effect (see note 14).

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a). Basis of preparation:

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) (collective term includes all applicable individual Hong Kong Financial Reporting Standard, 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 Hong Kong Companies Ordinance. They have been prepared under historical cost convention.

(b). Use of estimates in the preparation of the financial statements:

The preparation of financial statements in conformity with HKFRSs 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 estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

(c). Property, plant and equipment:

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

An item of property, plant and equipment is recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on recognition of the asset (calculated as the difference between the net sale proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year in which the item is recognized.

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

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

Leasehold improvement	33.33%
Furniture and equipment	20%
Computer hardware and software	30%

NOTES TO THE FINANCIAL STATEMENTS

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

(d). Revenue recognition:

- i) Tuition fees and fees for the Kindergarten activities are recognized when tuition and activities are provided
- ii) Government subsidies are recognized when the Kindergarten's right to receive payment has been established.
- iii) Interest income is recognized as it accrues using the effective interest method.

(e). Employee benefits:

- i) Employee leave entitlements

Employee entitlements to annual leave and long service payment are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long service payment as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

- ii) Retirement scheme benefits

The Kindergarten joins a Mandatory Provident Fund scheme ("MPF scheme") in Hong Kong. The assets of the MPF scheme are held in separate trustee-administered funds. Both the Kindergarten and the employees are required to contribute to the schemes according to scheme rules. The Kindergarten's contributions to the MPF scheme are expensed as incurred.

(f). Operating leases:

Leases where substantially all the risks and ownership of assets, other than legal title, remain with the leasing Kindergarten are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease year.

(g). Related parties:

Parties are considered to be related to the Kindergarten if the Kindergarten has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or whether the Kindergarten and the party are subject to common control or common significant influence. Related parties may be individual (being members of key management personnel and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Kindergarten where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Kindergarten or of any entity that is a related party of the Kindergarten.

NOTES TO THE FINANCIAL STATEMENTS

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

(h). Government grants:

A government grant is recognized when there is reasonable assurance that the Kindergarten will comply with the conditions attaching with it and that the grant will be received.

Grants relating to income are recognized in the statement of comprehensive income over the year necessary to match them with the costs they are intended to compensate.

6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvement HK\$	Furniture and Equipment HK\$	Computer Hardware and Software HK\$	Total HK\$
At Cost				
Balance at 1 st September, 2019	1,150,775	546,122	71,951	1,768,848
Additions	-	33,590	-	33,590
Balance as at 31 st August, 2020	1,150,775	579,712	71,951	1,802,438
Accumulated depreciation:				
Balance at 1 st September, 2019	1,086,404	531,643	71,951	1,689,998
Additions	15,051	14,400	-	29,451
Balance as at 31 st August, 2020	1,101,455	546,043	71,951	1,719,449
Net book values:				
Balance as at 31 st August, 2019	64,371	14,479	-	78,850
Balance as at 31 st August, 2020	49,320	33,669	-	82,989
Threshold amount	5,000	1,000	1,000	

A-ONE KINDERGARTEN LIMITED
第一幼稚園有限公司

NOTES TO THE FINANCIAL STATEMENTS

7. AMOUNTS RECEIVED IN ADVANCE

These represent prepaid fees and subsidy for the subsequent accounting year.

	2020	2019
	HK\$	HK\$
Pre-primary Education Voucher Scheme (PEVS)	-	-
Pre-registration for next term starting 9/2020	134,891	169,811
	<u>134,891</u>	<u>169,811</u>

8. TAXATION

The Kindergarten is exempt from payment of tax by virtue of Section 88 of the Inland Revenue Ordinance.

9. OPERATING LEASE COMMITMENTS

The Kindergarten leases its Kindergarten premises under operating lease arrangement. Lease for premises are negotiated for term of three years.

As at the balance sheet date, the Kindergarten had total commitments for minimum lease payments under non-cancellable operating lease in respect of premises which fall due as follows:

	2020	2019
	HK\$	HK\$
Premises lease expiring		
- Within one year	450,000	450,000
- In the second to fifth years, inclusive	150,000	600,000
	<u>600,000</u>	<u>1,050,000</u>

A-ONE KINDERGARTEN LIMITED
第一幼稚園有限公司

NOTES TO THE FINANCIAL STATEMENTS

10.SURPLUS ON TRADING ACTIVITIES

	Textbooks HK\$	Exercise books, stationery, kindergarten bags, mug bags, uniforms, CD, VCD HK\$	Total HK\$
For the year ended 31st August, 2020			
Income	100,362	265,790	366,152
Cost of Sales:			
Opening inventory	-	-	-
Purchases	100,362	252,712	353,074
	100,362	252,712	
Closing inventories	-	-	-
	100,362	252,712	353,074
Surplus on trading account	-	13,078	13,078
For the year ended 31st August, 2019			
Income	116,488	137,674	254,162
Cost of Sales:			
Opening inventory	-	-	-
Purchases	116,488	120,745	237,233
	116,488	120,745	237,233
Closing inventories	-	-	-
	116,488	120,745	237,233
Surplus on trading account	-	16,929	16,929

NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel: HK\$Nil (2019: HK\$Nil).

The balance with related party fully described in note 6 on the financial statements.

12. DIRECTORS' REMUNERATION: HK\$Nil (2019: HK\$Nil)

13. FINANCIAL INSTRUMENTS

The Kindergarten's major financial instruments comprise sundry deposits and prepayment, amounts received in advance, sundry creditors and accruals and amount due to A-One Kindergarten.

The main risks arising from the Kindergarten's financial instruments are interest rate risks and liquidity risk. The Kindergarten does not have any written risk management policies and guidelines. However, the board of directors meet yearly to analyze and formulate measures to manage the Kindergarten's exposure to these risks. Generally, the Kindergarten introduces conservative strategies on its risk management. As the Kindergarten's exposure to these risks is kept to a minimum, the Kindergarten has not used any derivatives and other instruments for hedging purposes. The directors review and agree policies for managing each of these risks and they are summarized as follows:

(a). Interest rate risk:

The Kindergarten interest-bearing financial assets comprise short-term bank deposits and balances.

Due to the fact that the changes in interest rates have not material impact on the Kindergarten's result and accordingly, the sensitivity analysis in respect of changes in interest rates is not presented.

(b). Liquidity risk:

Liquidity risks is the risk that funds will not be available to meet liabilities as they fall due, and it results form amount and maturity mismatches of assets and liabilities.

Prudent liquidity risks management implies maintaining sufficient bank balances.

The following table details the remaining contractual maturities at the balance sheet date of the Kindergarten's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Kindergarten can be required to pay:

	2020		
	Carrying amount HK\$	Total contractual undiscounted cash flows HK\$	Within 1 year or on demand HK\$
Sundry creditors and accruals	714,728	(714,728)	(714,728)
	<u>719,836</u>	<u>(714,728)</u>	<u>(714,728)</u>

NOTES TO THE FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS (CONT'D)

(b). Liquidity risk:

	2019		
	Carrying amount HK\$	Total contractual undiscounted cash flows HK\$	Within 1 year or on demand HK\$
Sundry creditors and accruals	600,420	(600,420)	(600,420)
Amount due to A-One Kindergarten	<u>600,420</u>	<u>(600,420)</u>	<u>(600,420)</u>

(c). Foreign currency risk:

The Kindergarten does not have any significant exposure to foreign exchange risk. Most of the transactions are transacted in Hong Kong dollars.

(d). Fair value estimation:

All financial instruments are carried at amounts not materially different from their fair values as at 31st August, 2020 and 31st August, 2019 because of the immediate or short-term maturity of these instruments.

15. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST AUGUST, 2020. Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31st August, 2020 and which have not been adopted in these financial statements.

The Kindergarten is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the year of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Kindergarten's results of operations and financial position.

16. APPROVAL OF FINANCIAL STATEMENT

The financial statement was duly approved by the board of directors on 12 January, 2021