

FINANCIAL STATEMENTS

**THE ASSOCIATION OF THE DIRECTORS AND FORMER
DIRECTORS OF POK OI HOSPITAL LIMITED**

STATEMENT OF FINANCIAL POSITION

AND

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2021**

**湯廣烈會計師行
KENNETH TONG & COMPANY**

**CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG**



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THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

The members of the executive committee have pleasure in submitting the annual report together with the audited financial statements for the year ended 31st March, 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Association continued to encourage and promote friendship, making organization established to foster the community spirit and welfare of its members and to provide accommodation for its members.

FINANCIAL STATEMENTS

The results for the year ended 31st March, 2021 and the state of affairs of the Association as at that date are set out in the financial statements on pages (6) to (12).

PROPERTY, PLANT & EQUIPMENT

Movements in property plant & equipment during the year are set out in note (4) to the financial statements.

DIRECTORS

The directors of the Association during the year and up to date of this report as follows:

Lam Chiu Kuen	Lee Ka Chung	Chung Chau Wah	Kong Cheung On
Siu Shing Choi	Chan Kam Fuk	Wong Kai Tai	Wong Chun Sing Sam
Pang Kai Ming	So Kui Bor	Wong Man Hing Alice	Ho Wing Tim

In accordance with Company's Articles of Association, at every succeeding Annual General Meeting, all directors shall retire from office and be eligible, offer themselves for re-election.

DIRECTORS' INTEREST IN CONTRACTS

No contract of significance to which the Association was a party and in which the directors of the Association had a material interest, whether directly or indirectly, subsisted at the ended of the year or at any time during the year.

The Association did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full-time employment of the Association, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Association.

MANAGEMENT CONTACTS

No contracts concerning the management and administration of the whole or any substantial part of the activities of the Association were entered into or existed during the year.

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED

REPORT OF THE EXECUTIVE COMMITTEE

PERMITTED INDEMNITY PROVISION

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Association.

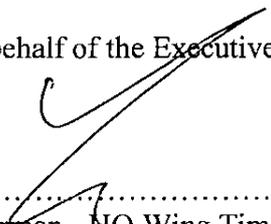
BUSINESS REVIEW

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

AUDITOR

The financial statements for the year have been audited by Messrs. Kenneth Tong & Company, Certified Public Accountants who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Executive Committee



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Chairman - HO Wing Tim
Hong Kong, - **8 FEB 2022**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED

(Incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of The Association of The Directors and Former Directors of Pok Oi Hospital Limited ("the Association") set out on pages 6 to 12, which comprise the statement of financial position as at 31 March 2021, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements of the Association are prepared, in all material respects, in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") 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") and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the Hong Kong Institute of Certified Public Accountants ("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 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 members of executive committee are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the report of the executive committee set out on pages 1 to 2 and detailed income statement, 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 on the other information obtained prior to the date of this auditor's report, 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

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED

(Incorporated in Hong Kong with limited by guarantee)

Responsibilities of the members of executive committee and Those Charged with Governance for the financial statements

The members of executive committee are responsible for the preparation of the financial statements in accordance with the SME-FRS and the Hong Kong Companies Ordinance, and for such internal control as the members of executive committee 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 members of executive committee are responsible for assessing the Association'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 members of executive committee 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

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 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, we exercise professional judgment 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

**THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK
OI HOSPITAL LIMITED**

(Incorporated in Hong Kong with limited by guarantee)

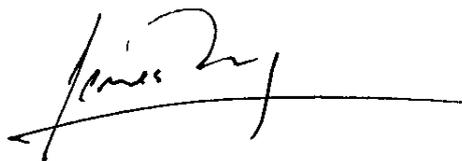
Auditor's responsibilities for the audit of the financial statements (Cont'd)

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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of executive committee.
- Conclude on the appropriateness of the members of executive committees' 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is James Tong.



Kenneth Tong & Company
Certified Public Accountants
Room 11A Lee May Building,
788 Nathan Road, Kowloon,
Hong Kong. - **8 FEB 2022**

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

(Expressed in HKD)

	Notes	2021	2020
REVENUE			
Contributions received from committee members		491,000.00	513,000.00
Donation income		325,975.00	604,784.70
Members entrance fees received		10,500.00	4,500.00
Rental income		44,000.00	51,300.00
Festival income		-	16,880.00
Sponsor income		10,000.00	103,575.20
		<u>881,475.00</u>	<u>1,294,039.90</u>
OTHER INCOME			
Bank interest		1,973.05	978.70
Long service payment refund		-	46,502.13
Sundry income		35,400.00	-
		<u>37,373.05</u>	<u>47,480.83</u>
LESS: EXPENSES			
Audit fee & accountancy fee		12,300.00	7,300.00
Bank charges		450.00	350.00
Building management fee		19,872.00	19,035.00
Depreciation	(4)	74,902.20	74,902.20
Donation		333,975.00	600,784.70
Electricity, gas & water		-	1,740.30
Festival expenses		600.00	130,961.86
Gifts and gratuities		1,601.00	4,400.00
Insurance		1,865.72	1,832.05
Local travelling		976.60	2,591.10
Long service payment		-	53,916.06
Mandatory provident fund contribution		9,019.80	8,431.65
Postage and courier		1,697.60	407.30
Printing and stationery		7,112.15	8,945.63
Rates		3,765.00	3,766.00
Repair and maintenance		-	2,500.00
Secretarial fee		-	1,600.00
Sponsor expenses		53,864.00	170,953.20
Staff salaries and allowances		180,396.00	189,533.00
Staff welfare		-	300.00
Sundry expenses		3,467.00	2,364.90
Telecommunication		8,374.00	5,373.00
		<u>714,238.07</u>	<u>1,291,987.95</u>
SURPLUS FOR THE YEAR	(5)	<u><u>204,609.98</u></u>	<u><u>49,532.78</u></u>

The accompanying notes form an integral part of, and should be read in conjunction with these financial statements.

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED

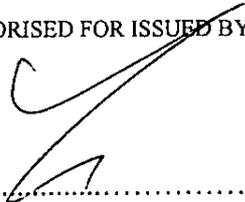
STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH, 2021

(Expressed in HKD)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
NON-CURRENT ASSETS			
Property, plant and equipment	(4)	<u>3,064,688.00</u>	<u>3,139,590.20</u>
CURRENT ASSETS			
Interest receivable		127.75	-
Utility deposit		1,080.00	1,080.00
Cash at bank and in hand		<u>709,452.75</u>	<u>424,548.32</u>
		<u>710,660.50</u>	<u>425,628.32</u>
LESS: CURRENT LIABILITIES			
Audit and accountancy fee payable		12,500.00	7,300.00
Accrual charges		1,500.00	1,180.00
Advance rental receipt		4,000.00	4,000.00
Tenants' deposits		<u>8,600.00</u>	<u>8,600.00</u>
		<u>26,600.00</u>	<u>21,080.00</u>
NET CURRENT ASSETS		<u>684,060.50</u>	<u>404,548.32</u>
NET ASSETS		<u>3,748,748.50</u>	<u>3,544,138.52</u>
ACCUMULATED FUND	(9)	3,677,427.50	3,472,817.52
BUILDING FUND		<u>71,321.00</u>	<u>71,321.00</u>
		<u>3,748,748.50</u>	<u>3,544,138.52</u>

APPROVED AND AUTHORISED FOR ISSUED BY THE BOARD OF EXECUTIVE COMMITTEE ON **- 8 FEB 2022**



 CHAIRMAN
 HO Wing Tim



 COMMITTEE MEMBER
 CHUNG Chau Wah

The accompanying notes form an integral part of, and should be read in conjunction with these financial statements.

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in HKD)

1. GENERAL

The Association was incorporated on 3 April 1969 under Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital. Under the provisions of the Association's Memorandum of Association every member of the executive committee shall, in the event of the Association being wound up, contribute to the assets of the Association to the extent of HK\$10.00.

The address of its registered office is located at Pok Oi Hospital Main Road, Yuen Long, N.T. Hong Kong. The principal activities of the Association is a non-profit making organization established to foster the community spirit of members of The Association of The Directors and Former Directors of Pok Oi Hospital Limited in Hong Kong or elsewhere for the purpose of promoting friendship as between members of the Association.

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

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements comply with all applicable sections of SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

(b) Basis of measurement

The measurement bases used in preparing these financial statements are set out in note 3 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The following are significant accounting policies that are necessary for a proper understanding of the financial statements:

a). Revenue recognition

Donations from members are recognized as revenue on accrued basis.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Association and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in HKD)

3. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

b). Property, plant and equipment

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

Depreciation on furniture and fixtures is calculated to write off their cost over their estimated useful lives on straight line method, at the rate of 25% per annum.

The depreciable amount of land and building is allocated on a systematic basis over its estimated useful life using the straight-line method at 2% per annum

c). Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the income statement. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years.

d). Cash and cash equivalents

Bank balances and cash in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

e). Taxation

Current tax is recognized as income or expenses, except to the extent that the tax arises from a transaction or event that is recognized other than in the income statement, based on estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior reporting periods is, to the extent unpaid (or refundable), recognized as a liability (or an asset).

Deferred tax is not recognized.

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021
(Expressed in HKD)

3. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

f). Related parties

(1) A person, or a close member of that person's family, is related to the Association if that person:

- (i) has control or joint control over the Association;
- (ii) has significant influence over the Association; or
- (iii) is a member of the key management personnel of the Association or the Association's parent.

(2) An entity is related to the Association if any of the following conditions applies:

- (i) The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate of joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the 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 Association or an entity related to the Association.
- (vi) The entity is controlled or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(Expressed in HKD)

4. PROPERTY, PLANT AND EQUIPMENT

	Property	Furniture & Fixtures	Total
Balance as at 31/3/20	<u>3,699,300.00</u>	<u>132,615.10</u>	<u>3,831,915.10</u>
Balance as at 31/3/21	<u>3,699,300.00</u>	<u>132,615.10</u>	<u>3,831,915.10</u>
Aggregated depreciation			
Balance as at 31/3/20	560,626.00	131,698.90	692,324.90
Charges	<u>73,986.00</u>	<u>916.20</u>	<u>74,902.20</u>
Balance as at 31/3/21	<u>634,612.00</u>	<u>132,615.10</u>	<u>767,227.10</u>
Net book value at 31/3/2021	<u>3,064,688.00</u>	<u>-</u>	<u>3,064,688.00</u>

5. SURPLUS FOR THE YEAR

	2021	2020
Surplus for the year is arrived at after charging:		
Auditor's remuneration	<u>7,300.00</u>	<u>7,300.00</u>

6. EXECUTIVE COMMITTEE'S REMUNERATION

None of members of the executive committee received or will receive any fees or emoluments in respect of their services to the Association during the year (2020: Nil).

7. TAXATION

The Association is an approved charitable institution and is exempted from tax under Section 88 of the Inland Revenue Ordinance.

8. AMOUNT DUE TO AN EXECUTIVE COMMITTEE MEMBER

The amount is unsecured, interest free and repayable on demand.

9. ACCUMULATED SURPLUS

	2021	2020
Balance as at 31/3/2020	<u>3,472,817.52</u>	<u>3,423,284.74</u>
Surplus for the year	<u>204,609.98</u>	<u>49,532.78</u>
Balance as at 31/3/2021	<u>3,677,427.50</u>	<u>3,472,817.52</u>

THE ASSOCIATION OF THE DIRECTORS AND FORMER DIRECTORS OF POK OI HOSPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021

(Expressed in HKD)

10. LEASES

Leases as Lessors

The carrying value of lease payments receivable under operating leases are as follows:

	<u>2021</u>	<u>2020</u>
Not later than one year	-	49,450.00
Later than one year	-	-
	<u>-</u>	<u>49,450.00</u>

Due to the coronavirus pandemic, a total rent concession of HKD4,000.00 was granted to lessees during the reporting period.