

ALICE HO MIU LING NETHERSOLE SOCIAL SERVICE LIMITED
雅麗氏何妙齡那打素社福有限公司

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2021

Certified True Copy



Ko Chin Pang

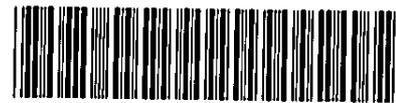
Company Secretary

Alice Ho Miu Ling Nethersole Social Service Limited

F. S. Li & Co.

李福樹會計師事務所

CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG



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ALICE HO MIU LING NETHERSOLE SOCIAL SERVICE LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with audited financial statements of the Company for the year ended 31st March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were to provide community rehabilitation services (including physiotherapy and occupational therapy).

RESULTS

The results of the Company for the year ended 31st March 2021 and the state of the Company's affairs at that date are set out in the financial statements on pages 5 to 13.

PERMITTED INDEMNITY PROVISION

In accordance with Article 66 of the Company's Articles of Association, there is a permitted indemnity provision for the benefits of the directors of the Company, which was in force during the year and is in force at the time of approval of this report.

DIRECTORS

The directors of the Company during the year were:

Chan Man Foon, Derek
Chang Chun Wa
Chow Yan Wai, Michelle
Fung Siu Hung
Koon Ho Ming, Peter Douglas
Kwan Shui Man
Lau Wing Keung
Lee Chee Wah
Leung Lai Ngor
Leung Ming Kuen, Pamela
Li Kwok Heem, John
Mok Yu Sang, Wilson
Tsang Lau Kit Ping, Alice
Tsoi Hak Chiu
Wong Ka Fai

In accordance with Articles 40, 41 and 42 of the Company's Articles of Association, one-third of the directors will retire by rotation at the forthcoming annual general meeting. The retired directors are eligible to offer themselves for re-election.

MANAGEMENT CONTRACTS

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

BUSINESS REVIEW

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

On behalf of the Board



Li Kwok Heem, John
Director

Hong Kong, 13th September 2021.

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1001 Admiralty Centre Tower 1, 18 Harcourt Road, Hong Kong.
Tel : 2861 1717 Fax : 2865 6828 Email : mail@fslico.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ALICE HO MIU LING NETHERSOLE SOCIAL SERVICE LIMITED
(incorporated in Hong Kong with liability limited by guarantee)

Opinion

We have audited the financial statements of Alice Ho Miu Ling Nethersole Social Service Limited ("the Company") set out on pages 5 to 13, which comprise the statement of financial position as at 31st March 2021, and the statement of income and accumulated deficit and cash flow statement 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 Company as at 31st March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") 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 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 a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report set out on pages 1 to 2 and the detailed income statement set out on page 14, 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.

Responsibilities of Directors and Those Charged with Governance 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.

Those charged with governance 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 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 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, future 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 transactions and events in a manner that achieves fair presentation.

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.



F. S. Li & Co.
Certified Public Accountants

Hong Kong, 13th September 2021.

ALICE HO MIU LING NETHERSOLE SOCIAL SERVICE LIMITED

STATEMENT OF INCOME AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
Government grants		1,339,183	375,682
Program income		566,068	847,284
Service income		<u>63,440</u>	<u>76,160</u>
		1,968,691	1,299,126
Other revenues	3	<u>6,836,869</u>	<u>6,232,183</u>
Total revenues		8,805,560	7,531,309
Staff costs		(8,309,424)	(7,126,838)
Other operating expenses		<u>(496,136)</u>	<u>(404,471)</u>
SURPLUS FOR THE YEAR	4	-	-
ACCUMULATED SURPLUS BROUGHT FORWARD		<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS CARRIED FORWARD		<u><u>-</u></u>	<u><u>-</u></u>

ALICE HO MIU LING NETHERSOLE SOCIAL SERVICE LIMITED

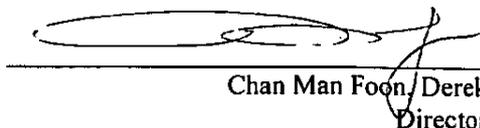
STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2021

	<u>Note</u>	HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
NON-CURRENT ASSETS				
Property, plant and equipment	7		6,750	9,450
CURRENT ASSETS				
Account receivables and prepayments	8	685,382		396,714
Bank and cash balances		461,684		372,354
		1,147,066		769,068
<u>Less: CURRENT LIABILITIES</u>				
Amount due to ultimate parent undertaking	9	809,528		585,387
Account payables and accruals	10	344,288		193,131
		1,153,816		778,518
NET CURRENT LIABILITIES			(6,750)	(9,450)
NET ASSETS			-	-
<i>representing:</i>				
ACCUMULATED SURPLUS			-	-

The financial statements on pages 5 to 13 were approved and authorized for issue by the Board of Directors on 13th September 2021.



Li Kwok Heem, John
Director



Chan Man Foon, Derek
Director

ALICE HO MIU LING NETHERSOLE SOCIAL SERVICE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	-	-
Interest income	(1)	(105)
Depreciation on property, plant and equipment	<u>2,700</u>	<u>2,700</u>
Operating surplus before working capital changes	2,699	2,595
Increase in account receivables and prepayments	(288,668)	(255,731)
Increase/(Decrease) in account payables and accruals	<u>151,157</u>	<u>(60,774)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(134,812)</u>	<u>(313,910)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>1</u>	<u>105</u>
NET CASH FROM INVESTING ACTIVITIES	<u>1</u>	<u>105</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net advance from ultimate parent undertaking	<u>224,141</u>	<u>210,156</u>
NET CASH FROM IN FINANCING ACTIVITIES	<u>224,141</u>	<u>210,156</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	89,330	(103,649)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>372,354</u>	<u>476,003</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>461,684</u>	<u>372,354</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	<u>461,684</u>	<u>372,354</u>

ALICE HO MIU LING NETHERSOLE SOCIAL SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

1. General

Alice Ho Miu Ling Nethersole Social Service Limited is a company incorporated in Hong Kong with liability limited by guarantee and does not have a share capital. The liability of the sole member, Alice Ho Miu Ling Nethersole Charity Foundation, is limited to the extent of an amount not exceeding HK\$100.

The address of the registered office and principal place of operation of the Company is Room 12, 7th Floor, Block J, 11 Chuen On Road, Tai Po, New Territories, Hong Kong.

The Company's objects are:

- (a) to operate, manage and supervise the operation and management of non-profit making hospitals, clinics, medical institutions, community health centres, social services centres and homes for aged people and dementia for -
 - (i) the care, treatment and comfort (whether physically, psychologically or spiritually) of those who are weak, sick or aged or are in need of assistance;
 - (ii) the promotion of, and the education of the community in, the awareness of health care and prevention of diseases;
 - (iii) the training of doctors, nurses, midwives and other allied health staff;
 - (iv) the promotion and the practice of the teachings of Jesus Christ in the service of people in need; and
 - (v) the demonstration of the Christian belief in the wholeness of man, his body and spirit; and
- (b) to operate, manage and supervise the operation and management of non-profit making child care centres, play centres, nurseries and kindergartens for the care and education of young children.

The Company's activities during the year were to provide community rehabilitation services (including physiotherapy and occupational therapy).

2. Principal accounting policies

(a) Statement of compliance

The Company falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants and the applicable requirements of the Hong Kong Companies Ordinance.

2. Principal accounting policies (continued)

(b) Basis of preparation

These financial statements have been prepared under the historical cost convention.

(c) Revenue recognition

- (i) Government grants are recognized as income on accrual basis when it is certain. Otherwise, it is recognized on cash basis.
- (ii) Program and service income is recognized upon provision of service.
- (iii) Donations are recognized when the funds have been received.
- (iv) Interest income is recognized as it accrues using the effective interest method.

(d) Functional and presentation currency

The Company's functional and presentation currency is Hong Kong dollars.

(e) Impairment losses

At the end of each reporting period, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment is recognized immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in surplus or deficit.

(f) Property, plant and equipment

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

Depreciation is calculated to write off the cost of property, plant and equipment less accumulated impairment loss over their estimated useful lives using a straight line basis at the rate of 20 per cent per annum.

(g) Financial instruments

To account for financial instruments (financial assets and liabilities), the Company chooses to apply the recognition and measurement provision of Hong Kong Financial Reporting Standard 9 "Financial Instruments" and the disclosure requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of HKFRSPE.

2. Principal accounting policies (continued)

(h) Account receivables

Account receivables are initially recognized at fair value and thereafter stated at amortized cost using the effective interest rate method less allowance for expected credit loss unless the effect of discounting would be immaterial, in which case the receivables are stated at cost less allowance for expected credit losses.

(i) Amount due to ultimate parent undertaking, account payables and accruals

Amount due to ultimate parent undertaking, account payables and accruals are initially recognized at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(j) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposit with banks within 3 months to maturity from date of deposit.

(k) Provisions

Provisions are recognized for liabilities of uncertain timing or amount when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(l) Employee benefits

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Contributions under the defined contribution retirement schemes are charged to the surplus or deficit in the year to which the contributions relate.

(m) Related parties

For the purposes of these financial statements, related party includes a person and entity as defined below:

- (i) A person or a close member of that person's family is related to the Company if that person:
 - (a) is a member of the key management personnel of the Company or of a parent of the Company;
 - (b) has control or joint control over the Company; or
 - (c) has significant influence over the Company.
- (ii) An entity is related to the Company if any of the following conditions applies
 - (a) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of group of which the other entity is a member).
 - (c) both entities are joint ventures of the same third entity.
 - (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2. Principal accounting policies (continued)

(m) Related parties (continued)

- (ii) (e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (f) the entity is controlled or jointly controlled by a person identified in Note 2(m)(i).
- (g) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.
- (h) a person identified in Note 2(m)(i)(a) has significant voting power in the entity.
- (i) a person identified in Note 2(m)(i)(b) 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).

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 dealings with the entity.

3. Other revenues

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Donation received	6,836,868	6,232,078
Interest income	1	105
	<u>6,836,869</u>	<u>6,232,183</u>

4. Surplus for the year

The surplus for the year is stated after charging the following items:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Contributions to defined contribution provident fund	375,115	368,234
Depreciation on property, plant and equipment	2,700	2,700
Bad debts written off	80	-
	<u>377,815</u>	<u>370,934</u>

5. Directors' remuneration and other interests

The directors did not receive and would not receive any remuneration or interests as mentioned in sections 383(1)(a), (b), (c) and (d) of the Hong Kong Companies Ordinance during the year (2020 - Same).

No consideration was provided to or receivable by third parties for services of the directors or their services in other capacity while directors (2020 - Same).

6. Taxation

The Company is a charitable institution and is exempt from Hong Kong profits tax under section 88 of the Hong Kong Inland Revenue Ordinance.

7. Property, plant and equipment

	<u>Equipment</u> HK\$
<u>Cost</u>	
Balance at 31st March 2020 and 2021	13,500
<u>Accumulated depreciation</u>	
Balance at 31st March 2020	4,050
Charge for the year	2,700
Balance at 31st March 2021	6,750
<u>Net book value</u>	
Balance at 31st March 2021	6,750
Balance at 31st March 2020	9,450

8. Account receivables and prepayments

	<u>2021</u> HK\$	<u>2020</u> HK\$
Account receivables	680,190	394,590
Prepayments	5,192	2,124
	<u>685,382</u>	<u>396,714</u>

9. Amount due to ultimate parent undertaking

The amount due to ultimate parent undertaking is unsecured and interest free, and there is no fixed repayment term.

10. Account payables and accruals

	<u>2021</u> HK\$	<u>2020</u> HK\$
Other payable and accruals	61,806	54,327
Receipt in advance	354	-
Provision for annual leave entitlement	282,128	138,804
	<u>344,288</u>	<u>193,131</u>

11. Categories of financial assets and liabilities

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
<u>Financial assets</u>		
Current assets - at amortized cost:		
Account receivables	680,190	394,590
Bank and cash balances	<u>461,684</u>	<u>372,354</u>
	<u>1,141,874</u>	<u>766,944</u>
<u>Financial liabilities</u>		
Current liabilities - at amortized cost:		
Amount due to ultimate parent undertaking	809,528	585,387
Account payables and accruals (excluding receipt in advance and provision for annual leave entitlement)	<u>61,806</u>	<u>54,327</u>
	<u>871,334</u>	<u>639,714</u>

12. Related party transactions

During the year the Company undertook the following transactions with related parties in addition to the transactions and balances detailed elsewhere in these financial statements:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Donation from ultimate parent undertaking	<u>6,836,818</u>	<u>6,231,857</u>

13. Ultimate parent undertaking

The directors consider the Company's ultimate parent undertaking to be Alice Ho Miu Ling Nethersole Charity Foundation, a charity foundation incorporated in Hong Kong.

FOR MANAGEMENT INFORMATION PURPOSES ONLY

ALICE HO MIU LING NETHERSOLE SOCIAL SERVICE LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2021

	HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
REVENUE			
Government grants		1,339,183	375,682
Program income		566,068	847,284
Service income		63,440	76,160
Donation received		6,836,868	6,232,078
Interest income		<u>1</u>	<u>105</u>
		8,805,560	<u>7,531,309</u>
EXPENDITURE			
Salaries, wages and allowances	6,525,692		5,550,697
Provident fund contributions	329,530		325,673
Staff training	116,820		7,100
Staff medical and dental expenses	22,755		19,993
Team building retreat	10,000		-
Recruitment expenses	3,336		18,088
Programme expenses	1,357,626		1,258,233
Insurance	61,510		49,090
Public relation service charge	-		84,314
Travelling	99,170		93,818
Furniture	-		4,310
Equipment	19,188		7,411
Uniform	1,811		-
Medical consumables	54,984		24,734
Computer expenses	97,754		3,358
Printing and stationery	21,447		22,240
Repairs and maintenance	22,747		18,808
Depreciation	2,700		2,700
Telephone and internet	15,944		15,135
Postage	65		-
Bank charges	3,440		3,242
Auditors' remuneration	10,300		10,000
Professional fee	9,800		4,900
Bad debts written off	80		-
Sundry expenses	<u>18,861</u>		<u>7,465</u>
		8,805,560	<u>7,531,309</u>
SURPLUS FOR THE YEAR		<u>-</u>	<u>-</u>

This statement is not specified financial statements as defined in section 436 of the Hong Kong Companies Ordinance. The specified financial statements have not yet been delivered to the Registrar of Companies. The auditor's report on the specified financial statements of the Company for the year ended 31st March 2021 was not qualified, did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under section 406(2) or 407(2) or (3) of the Hong Kong Companies Ordinance.