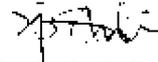


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Certified by Yip Shuk Yi of The Co. Secretary of

CNEC Kei Shek Social Service Centre Ltd

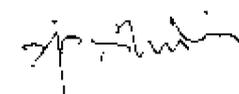
CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED

中華傳道會基石社會服務中心有限公司

**Reports and Financial Statements
For the year ended 31 March 2021**

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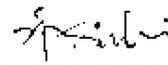
CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED
中華傳道會基石社會服務中心有限公司



REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Certified by Yip Shuk Yi of The Co. Secretary of
CNEC Kei Shek Social Service Centre Ltd

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DIRECTORS' REPORT

The directors submit the report together with the audited financial statements of CNEC Kei Shek Social Service Centre Limited (the "Company") for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

The principal activities of the Company are principally engaged in operating interest class and to serve as a charitable organisation on a non-profit making basis. The Company had been approved for a full exemption of profit tax on profit derived under Section 88 of the Inland Revenue Ordinance. There is no significant change compared with the activities conducted in previous year.

RESULTS

The results of the Company for the year ended 31 March 2021 are set out in the income statement on page 6.

DIVIDEND

No dividend was paid or proposed to be paid in this year. (2019: Nil)

SHARE CAPITAL

The Company is incorporated under Hong Kong Companies Ordinance with limited liability by guarantee and not having share capital.

DIRECTORS

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

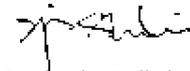
Wong Shek Ching

Yung Man Wa (resigned on 12 June 2021)

Yip Yan Wah

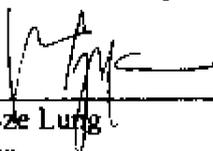
Chan Sze Lung

In accordance with the Company's Articles of Association, the term of office of directors shall be two years and at the end of every term of office the directors shall retire from the office but shall be eligible for re-election.



AUDITOR

During the year, COTH CPA Limited resigned as auditor of the Company and D & PARTNERS CPA LIMITED was appointed by the directors to fill causal vacancy so arising. A resolution for the re-appointment of D & PARTNERS CPA LIMITED as auditor of the Company will be proposed at the forthcoming annual general meeting.



Chan Sze Lung
Director

Hong Kong, 25 October 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED

中華傳道會基石社會服務中心有限公司
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of CNEC Kei Shek Social Service Centre Limited (the "Company") set out on pages 6 to 14, which comprise the statement of financial position as at 31 March 2021, and the income 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 of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") 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") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS 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.

Other Matter

The financial statements of the Company for the year ended 31 March 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 6 November 2020.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in this set of documents, 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 are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED

中華傳道會基石社會服務中心有限公司
(incorporated in Hong Kong with limited liability)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements in accordance with the SME-FRS 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 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 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 Company's internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

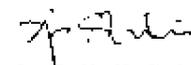
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 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.



D & PARTNERS CPA LIMITED
Certified Public Accountants

Wong Ho Fung
Practising Certificate Number: P07542
Hong Kong
25 October 2021


CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED**中華傳道會基石社會服務中心有限公司****INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 HK\$	2020 HK\$
Revenue	3	460,156	1,046,345
Other income	4	320,757	11,710
General and administrative expenses		<u>(1,169,522)</u>	<u>(1,630,361)</u>
Deficit before tax	5	(388,609)	(572,306)
Income tax expense	7	<u>-</u>	<u>-</u>
Deficit for the year		<u>(388,609)</u>	<u>(572,306)</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED
中華傳道會基石社會服務中心有限公司
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 HK\$	2020 HK\$
Non-current asset			
Property, plant and equipment	8	<u>18,512</u>	<u>43,076</u>
Current assets			
Accounts and other receivables	9	<u>99,945</u>	<u>204,598</u>
Cash and cash equivalents	10	<u>439,078</u>	<u>116,460</u>
		<u>539,023</u>	<u>321,058</u>
Current liabilities			
Accounts and other payables	11	<u>729,122</u>	<u>178,352</u>
Amount due to the related company	12	<u>697,307</u>	<u>666,067</u>
		<u>1,426,429</u>	<u>844,419</u>
Net current liabilities		<u>(887,406)</u>	<u>(523,361)</u>
Net liabilities		<u>(868,894)</u>	<u>(480,285)</u>
Fund			
Cumulative deficit	13	<u>(868,894)</u>	<u>(480,285)</u>
Total deficit		<u>(868,894)</u>	<u>(480,285)</u>

The financial statements on pages 6 to 14 are approved and authorised for issue by the Board of Director on 25 October 2021 and are signed by:

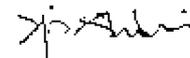


 Chan Sze Lung
 Director



 Wong Shek Ching
 Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.



CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED
中華傳道會基石社會服務中心有限公司

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL

CNEC Kei Shek Social Service Centre Limited (the "Company") is a limited company incorporated in Hong Kong. The address of the registered office and the principal place of business is Room 9B, 1/F., Fu Wah Court, 44 Hiu Kwong Street, Kowloon, Hong Kong.

The principal activities of the Company are engaged in operating interest class and serving as a charitable organisation on a non-profit making basis.

The financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Company qualifies for the reporting exemption as a company limited by guarantee under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

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

The Company incurred a loss of HK\$388,609 for the year ended 31 March 2021 (2020: HK\$572,306) and as of that date, the Company's current liabilities exceeded its current assets by HK\$887,406 (2020: HK\$523,361) and a total deficit of HK\$868,894 (2020: HK\$480,285). The director is of the opinion that this basis is appropriate because the director has agreed to provide continuing financial supports, if necessary, to the Company to meet its obligations as and when they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

The measurement base adopted is the historical cost convention.

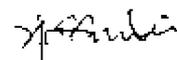
The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

- (i) Donations are recognised when received from the donators.
- (ii) Course fee income is recognised when services are rendered.
- (iii) Sponsorship income is recognised when received from the sponsors.

Any other income not mentioned above is recognised whenever it is received or receivable.



CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED
中華傳道會基石社會服務中心有限公司

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(b) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(c) Property, plant and equipment

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 improvements	over 7 years
Furniture and fixtures	over 7 years

(d) 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. 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 recognised in the income statement. A previously recognised 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 depreciation), had no impairment losses been recognised for the asset in prior years.

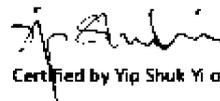
(e) Foreign exchange

The reporting currency of the Company is HK\$, which is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into HK\$ using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(f) Accounts and other receivables

Accounts and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.



CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED
中華傳道會基石社會服務中心有限公司

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand 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.

(h) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

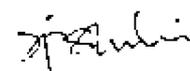
Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(i) Related parties

- (1) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the Company.
- (2) An entity is related to the Company if any of the following conditions apply:
 - (i) 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).
 - (ii) One entity is an associate or 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 the employees of the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in 2(i)(1).
 - (vii) A person identified in 2(i)(1)(i) has significant influence over the entity or is a member of 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 and include:

- (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.



CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED
中華傳道會基石社會服務中心有限公司

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3 REVENUE

	2021 HK\$	2020 HK\$
Donations	408,695	362,400
Course fee income	51,461	580,247
Sponsorship income	-	103,698
	<u>460,156</u>	<u>1,046,345</u>

4 OTHER INCOME

	2021 HK\$	2020 HK\$
Bank interest income	4	62
Membership income	6,000	11,648
Government grants	245,994	-
Sundry income	68,759	-
	<u>320,757</u>	<u>11,710</u>

5 DEFICIT BEFORE TAX

	2021 HK\$	2020 HK\$
Deficit before tax is arrived at after charging the following items:		
Auditor's remuneration	6,500	7,000
Depreciation	24,564	24,565
Staff costs (including directors' emoluments)	974,082	946,203

6 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance is as follows:

	2021 HK\$	2020 HK\$
Fees, retirement benefit and other emoluments	<u>-</u>	<u>-</u>

7 INCOME TAX EXPENSE

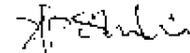
No provision for Hong Kong Profits Tax has been made as the Company had been approved for a full exemption of Profits Tax on profits derived under Section 88 of the Inland Revenue Ordinance. Following the same practice, the council of management members are of opinion that the Foundation maintaining the same mode of operation should be exempted from tax. Unless there is a change on the legislation and practice adopted by Hong Kong Inland Revenue Department on Section 88 of the Inland Revenue Ordinance, provision for taxation is considered not to be made for the period.

8 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK\$	Leasehold improvements HK\$	Total HK\$
Cost			
At 1 April 2020 and 31 March 2021	<u>56,184</u>	<u>143,347</u>	<u>199,531</u>
Accumulated depreciation			
At 1 April 2020	30,189	126,266	156,455
Provided for the year	<u>7,483</u>	<u>17,081</u>	<u>24,564</u>
At 31 March 2021	<u>37,672</u>	<u>143,347</u>	<u>181,019</u>
Net carrying amount			
At 31 March 2021	<u>18,512</u>	<u>-</u>	<u>18,512</u>
At 31 March 2020	<u>25,995</u>	<u>17,081</u>	<u>43,076</u>

9 ACCOUNTS AND OTHER RECEIVABLES

	2021 HK\$	2020 HK\$
Accounts receivables	98,995	202,298
Other receivables	<u>950</u>	<u>2,300</u>
	<u>99,945</u>	<u>204,598</u>



CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED
中華傳道會基石社會服務中心有限公司

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10 CASH AND CASH EQUIVALENTS

	2021 HK\$	2020 HK\$
Cash at banks	434,592	111,755
Cash in hand	4,486	4,705
	<u>439,078</u>	<u>116,460</u>

11 ACCOUNTS AND OTHER PAYABLES

	2021 HK\$	2020 HK\$
Accounts payables	617,912	106,137
Other payables	111,210	72,215
	<u>729,122</u>	<u>178,352</u>

As at 31 March 2021, there are amount of HK\$98,889 (2020: HK\$23,401) due to Social Welfare Department for the After School Care Programme included in the accounts payables. The details are as below:

	2021 HK\$	2020 HK\$
<u>After School Care Programme</u>		
Balance at the beginning of the year	23,401	1,801
Subsidies received	117,240	86,400
Expenses incurred	(41,752)	(64,800)
	<u>98,889</u>	<u>23,401</u>

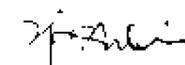
12 RELATED PARTY DISCLOSURES

(a) Related party balance

Name of related party

	2021 HK\$	2020 HK\$
Amount due to a related company		
The Christian Nationals' Evangelism Commission		
Kei Shek Church Limited	<u>697,307</u>	<u>666,067</u>

The amount due to a related company was unsecured, interest free and repayable on demand.


CNEC KEI SHEK SOCIAL SERVICE CENTRE LIMITED**中華傳道會基石社會服務中心有限公司****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****12 RELATED PARTY DISCLOSURES - continued****(b) Related party transactions**

Details of transactions with a related company are disclosed as follows:

	2021 HK\$	2020 HK\$
Donations received from The Christian Nationals' Evangelism Commission Kei Shek Church Limited	100,000	150,000
Rental expense paid to The Christian Nationals' Evangelism Commission Kei Shek Church Limited	<u>59,299</u>	<u>221,413</u>

(c) Compensation of key management personnel

The remuneration of the directors during the year was disclosed in note 6.

13 CUMULATIVE DEFICIT

	HK\$
At 1 April 2020	480,285
Deficit for the year	<u>388,609</u>
At 31 March 2021	<u>868,894</u>

14 LIMITED BY GUARANTEE

The Company is a non-profit making organisation which is limited by guarantee and not having a share capital. In the event of winding up, the liability of each member is limited to HK\$100 each.

15 COMPARATIVE FIGURES

Certain comparative figures had been re-classified to conform with the current year's presentation.

16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25 October 2021.