



區劍雄愛心會有限公司

**AU KIM HUNG**

**LOVE & CARE ASSOCIATION LIMITED**

**ACCOUNTS TO 31 DECEMBER 2020**

王季鈞會計師

**ALFRED K. WONG**

Certified Public Accountant ( Practising )  
HONG KONG



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REPORT OF COMMITTEE MEMBERS

The Committee Members submit their annual report together with the audited financial statements for the year ended 31 December 2020.

**Principal activities**

The principal activities of the Association are to administer certain educational projects in the Mainland of China from the donations received. No such activities were actively engaged during the year since the Association is not a registered charitable institution in the Mainland of China. Due to the pandemic situation, some charitable activities and planning of the Association during the year have been suspended. The Association has intended to provide assistance and funding to other charitable institutions in Hong Kong in the coming year.

**The state of the Association's affairs and appropriations**

The state of the Association's affairs as at 31 December 2020 are set out in the financial statements on pages 5 to 10.

**Committee members**

The committee members who hold office during the year and up to date of this report are :

AU Po Choi	歐寶材	CHEUNG Suk Ling	張淑玲
AU Wing Kiu, Yvonne	區詠翹	LIU Ping Cheung	廖炳祥
AU Wing Yu	區永愚	WONG Yee Tak, Imelda	黃懿德
NG Kam Shing	吳錦勝	NG Ngau	吳牛
LAM Moon Hung	林滿洪	LIEM Kau	林求
LI Kin Keung	李建強		
MAK King Kwong	麥景光		
CHEUNG Lin Sze	章蓮思		
TSE Yu Kuen	謝如娟	( appointed on 1 April 2020 )	
SIU Ting Man	蕭定文	( appointed on 1 April 2020 )	
HO Kwok Wing	何國榮	( resigned on 1 April 2020 )	
WOO Ngok Kui	胡嶽渠	( resigned on 1 April 2020 )	

AU Po Choi 歐寶材, CHEUNG Suk Ling 張淑玲 and AU Wing Yu 區永愚 are the Honorary Founder, Honorary President and President of the Association respectively and will hold office for life in accordance with Article 42 of the Articles of Association.

**Management contracts**

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

**Auditor**

Mr. Alfred K. Wong, Certified Public Accountant ( Practising ), was the honorary auditor of the Association for the year and retire, and being eligible, offer himself for re-appointment.

On behalf of the board :-

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 Chairman  
 Mr. AU Wing Yu  
 Hong Kong,

10 AUG 2021

HONORARY AUDITOR'S REPORT  
TO THE MEMBERS OF

**區劍雄愛心會有限公司**

**AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED**

( Incorporated in Hong Kong with limited liability )

**Opinion**

I have audited the financial statements of AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED 區劍雄愛心會有限公司 ( ' the Association ' ) set out on pages 5 to 10, which comprise the statement of financial position as at 31 December 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Association 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**

I conducted my 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 Small and Medium-Sized Entity Financial Reporting Standard" issued by the HKICPA. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Other Information**

The committee members are responsible for the other information. The other information comprises the information included in the committee members' report set out on pages 1 to 2, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

HONORARY AUDITOR'S REPORT  
TO THE MEMBERS OF

**區劍雄愛心會有限公司**

**AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED**

( Incorporated in Hong Kong with limited liability )

( Continued )

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

The committee members 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 committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

It is my responsibility to form an independent opinion, based on my audit, on those financial statements and to report my opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report. My 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 my opinion. 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Association's internal control.

HONORARY AUDITOR'S REPORT  
TO THE MEMBERS OF

**區劍雄愛心會有限公司**

**AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED**

( Incorporated in Hong Kong with limited liability )

( Continued )

**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 committee members.
- Conclude on the appropriateness of the committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

I 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 I identify during my audit.

HONG KONG,

Date :

10 AUG 2021

  
ALFRED K. WONG

Certified Public Accountant ( Practising )  
Honorary Auditor

**AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

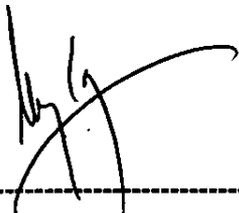
	<b>Note</b>	<b>2020 HK\$</b>	<b>2019 HK\$</b>
<b>Revenue</b>	<b>2</b>	76,107.89	233,637.70
<b>Direct expenditures</b>		<u>-</u>	<u>(44,603.00)</u>
		76,107.89	189,034.70
<b>Operating expenses</b>		<u>(84,971.80)</u>	<u>(84,922.58)</u>
<b>Surplus / (deficit) before tax</b>	<b>4</b>	(8,863.91)	104,112.12
<b>Income tax expenses</b>	<b>5</b>	<u>-</u>	<u>-</u>
<b>Surplus / (deficit) for the year</b>	<b>7</b>	<u><u>(8,863.91)</u></u>	<u><u>104,112.12</u></u>

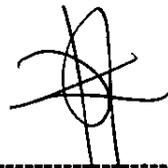
**AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	Note	2020 HK\$	2019 HK\$
<b>Non-current assets</b>			
Property, plant & equipment	6	<u>354,218.20</u>	<u>386,308.00</u>
<b>Current assets</b>			
Utility deposits		3,488.00	3,488.00
Interest receivable		487.33	460.60
Cash at bank		<u>1,648,288.16</u>	<u>1,624,409.00</u>
		1,652,263.49	1,628,357.60
<u>Less :</u>			
<b>Current Liabilities</b>			
Accrued expenses		<u>13,227.00</u>	<u>8,348.00</u>
<b>Net current assets</b>		<u>1,639,036.49</u>	<u>1,620,009.60</u>
<b>Net assets</b>		<u><u>1,993,254.69</u></u>	<u><u>2,006,317.60</u></u>
 <u>Representing -</u>			
<b>Reserve funds</b>	7	<u><u>1,993,254.69</u></u>	<u><u>2,002,118.60</u></u>

The financial statements were approved and authorized for issue by the Committee Members on

**10 AUG 2021**

  
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 President  
 Mr. AU Wing Yu

  
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 Treasurer  
 Ms. AU Wing Kiu, Yvonne

# AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

### Reporting entity

AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED 區劍雄愛心會有限公司 is a company incorporated in Hong Kong with limited liability.

The Association's registered office is located at " Flat C, 21st Floor, Gaylord Commercial Building, 114-118 Lockhart Road, Wanchai, Hong Kong Special Administrative Region, People's Republic of China ".

The principal activities of the Association are mainly to administer certain educational projects in the Mainland of China from the donations received. No such activities were actively engaged during the year since the Association is not a registered charitable institution in the Mainland of China. The Association has started English learning program with underprivileged children in Hong Kong during the year and will continue to explore other charitable educational projects in Hong Kong in future.

### 1. Basis of preparation and accounting policies

The Association qualifies for the reporting exemption as a small guarantee company under Section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The Association 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.

The financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the association is a going concern. The measurement base adopted is the historical cost convention.

The following 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 association and when the revenue can be measured reliably, on the following bases:

- (i) revenue from donations are recognized upon receipt;
- (ii) membership fee income is recognized on accrual basis; and
- (iii) interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

#### (b) Foreign exchange

The reporting currency of the association is Hong Kong Dollars, which is the currency of the primary economic environment in which the Association operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement. 0 0 2 9

**AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

**1. Basis of preparation and accounting policies ( continued )**

**(c) Taxation**

The Association is an institution exempted from tax pursuant to Section 88 of the Inland Revenue Ordinance.

**(d) Property, plant & equipment**

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

The depreciable amount of an item of Property, plant & 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 :

Land	:	over the unexpired term of the lease
Buildings	:	2%
Furniture & fixtures	:	20%

**2. Revenue**

An analysis of the Association's revenue is as follows :

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
Donations received	21,333.00	229,533.00
Membership fee income	1,500.00	500.00
Bank interest income	13,690.78	3,604.70
Gain on exchange	39,584.11	-
	<u>76,107.89</u>	<u>233,637.70</u>

**3. Committee Members' emoluments**

No fee or other emoluments were paid or payable to committee members for the year ( 2019 : Nil ).

**4. Surplus / (deficit) before tax**

Surplus / (deficit) before tax is arrived at :-

	<b>2020</b>	<b>2019</b>
	<b>HK\$</b>	<b>HK\$</b>
After charging the following items:-		
Auditor's remuneration	-	-
Depreciation	<u>32,089.80</u>	<u>31,250.00</u>

**AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

**5. Income tax expenses**

The Association is an entity exempted from tax under Section 88 of the Inland Revenue Ordinance ( Cap. 112 ).

**6. Property, plant & equipment**

	Land & buildings HK\$	Furniture & fixtures HK\$	Total HK\$
<u>Cost</u>			
At 1.1.2020	962,210.00	29,510.00	991,720.00
Additions	-	4,199.00	4,199.00
At 31.12.2020	<u>962,210.00</u>	<u>33,709.00</u>	<u>995,919.00</u>
<u>Depreciation</u>			
At 1.1.2020	582,149.00	27,462.00	609,611.00
Charge for the year	30,226.00	1,863.80	32,089.80
At 31.12.2020	<u>612,375.00</u>	<u>29,325.80</u>	<u>641,700.80</u>
<u>Net book value</u>			
At 31.12.2020	<u>349,835.00</u>	<u>4,383.20</u>	<u>354,218.20</u>
At 31.12.2019	<u>380,061.00</u>	<u>2,048.00</u>	<u>386,308.00</u>

**7. Reserve funds**

	2020 HK\$	2019 HK\$
Opening balance	2,002,118.60	1,898,006.48
Surplus / (deficit) for the year	<u>(8,863.91)</u>	<u>104,112.12</u>
Closing balance	<u>1,993,254.69</u>	<u>2,002,118.60</u>

**8. Other relation party transactions**

Except otherwise detailed elsewhere in these financial statements and except for the donations and membership fee income received by the Association, there were no material transactions between the Association and its committee members or parties related to the Committee Members.

**AU KIM HUNG LOVE & CARE ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

**9. Limited by guarantee**

Every member of the Association undertakes to contribute to the assets of the Association in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payments of the debts and liabilities of the Association contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding HK\$100.00.