

明愛白英奇專業學校有限公司
CARITAS BIANCHI COLLEGE OF CAREERS LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

F. S. Li & Co.
李福樹會計師事務所

CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG



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CARITAS BIANCHI COLLEGE OF CAREERS LIMITED

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CARITAS BIANCHI COLLEGE OF CAREERS LIMITED

REPORT OF THE GOVERNORS

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are to manage and operate the non-profit making post-secondary institute named as Caritas Bianchi College of Careers.

RESULTS AND APPROPRIATION

Results of the Company for the year ended 31st March 2021 and the state of the Company's affairs as at that date are set out in the financial statements on pages 5 to 14.

GOVERNORS

The governors of the Company during the year were:

Tong Hon John
Chang Khen Lee Denis
Tsang Hing Mun John Baptist
Hui Tak Fai
Yim Tak Lung Joseph
Choy Chung Wai Louis
Chuang Leo
Chuang Michael
Kuan Hsin Chi
Law Sau Fai Francis
Tong Man Leung Jacinto
Yeung Tse Tse Rosie Margaret
Leung Wing Hang Vitus
Mak Kin Wah
Choy Wai Man

In accordance with Article 38 of Part B of the Company's Articles of Association, the terms of service of the governors is two academic years and they shall be eligible for re-nomination and re-appointment.

BUSINESS REVIEW

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

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PERMITTED INDEMNITY PROVISION

There is a permitted indemnity provision in Article 127 of Part B of the Company's Articles of Association, for the benefits of the governors of the Company, which was in force during the year and is in force at the time of approval of this report.

MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT

No governors or shadow governors (if any) had material interest, directly or indirectly, in those significant transactions, arrangements or contracts in relation to the Company's operation which were entered into by the Company and its holding entity in the year or subsisted at any time during the year.

GOVERNORS' INTERESTS

At no time during the year was the Company a party to any arrangements to enable the governors of the Company to acquire benefits by means of the acquisition of debentures of the Company or shares in or debentures of any other body corporate.

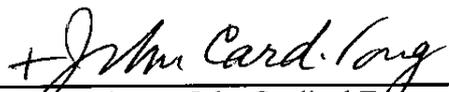
MANAGEMENT CONTRACTS

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

AUDITORS

The financial statements have been audited by F. S. Li & Co., Certified Public Accountants, who retire and being eligible offer themselves for re-appointment.

On behalf of the Board


His Eminence John Cardinal Tong
Chairman

Hong Kong, 9th 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

CARITAS BIANCHI COLLEGE OF CAREERS LIMITED

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Caritas Bianchi College of Careers Limited ("the Company") set out on pages 5 to 14, which comprise the statement of financial position as at 31st March 2021, and the statement of comprehensive income, statement of changes in equity 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 Standards ("HKFRSs") 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 governors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the governors' report set out on pages 1 to 2, 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 Governors and Those Charged with Governance for the Financial Statements

The governors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the governors 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 governors 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 governors 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.

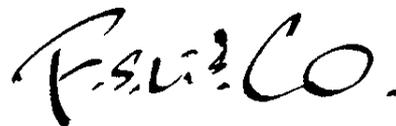
Auditor's Responsibilities for the Audit of the Financial Statements

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 governors.
- Conclude on the appropriateness of the governors' 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, 9th September 2021.

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CARITAS BIANCHI COLLEGE OF CAREERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
REVENUES (Note 4)	<u>194,723.00</u>	<u>721,049.00</u>
EXPENSES		
Audit fee	7,450.00	8,600.00
Professional fees	3,100.00	3,205.00
Programme accreditation fee	<u>184,173.00</u>	<u>709,244.00</u>
	<u>194,723.00</u>	<u>721,049.00</u>
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>-</u></u>	<u><u>-</u></u>

CARITAS BIANCHI COLLEGE OF CAREERS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
CURRENT ASSETS			
Grant receivables		-	709,244.00
Bank balance		<u>181,073.00</u>	<u>794,347.80</u>
		181,073.00	<u>1,503,591.80</u>
CURRENT LIABILITIES			
Amount due to the holding entity (Note 7)	173,623.00		1,494,991.80
Accrued expenses	<u>7,450.00</u>		<u>8,600.00</u>
		<u>181,073.00</u>	<u>1,503,591.80</u>
NET ASSETS		<u>-</u>	<u>-</u>
Represented by:			
ACCUMULATED SURPLUSES		<u>-</u>	<u>-</u>

These financial statements on pages 5 to 14 were approved and authorized for issue by the board of governors on 9th September 2021.



Reverend Yim Tak Lung Joseph
Governor



Dr. Mak Kin Wah
Governor

CARITAS BIANCHI COLLEGE OF CAREERS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2021

	<u>Accumulated surpluses</u> HK\$
Balance at 31st March 2019	-
Surplus and total comprehensive income for the year ended 31st March 2020	<u>-</u>
Balance as 31st March 2020	-
Surplus and total comprehensive income for the year ended 31st March 2021	<u>-</u>
Balance at 31st March 2021	<u><u>-</u></u>

CARITAS BIANCHI COLLEGE OF CAREERS 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 and operation surplus before working capital changes	-	-
Decrease/(Increase) in grant receivables	709,244.00	(709,244.00)
(Decrease)/Increase in amount due to the holding entity	(1,321,368.80)	697,439.00
Decrease in accrued expenses	<u>(1,150.00)</u>	<u>-</u>
NET CASH USED IN OPERATING ACTIVITIES	(613,274.80)	(11,805.00)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>794,347.80</u>	<u>806,152.80</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>181,073.00</u></u>	<u><u>794,347.80</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balance	<u><u>181,073.00</u></u>	<u><u>794,347.80</u></u>

CARITAS BIANCHI COLLEGE OF CAREERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

1. Reporting entity

Caritas Bianchi College of Careers Limited is a company incorporated under the Hong Kong Companies Ordinance and is limited by guarantee. The liability of each member is limited to the extent of an amount not exceeding HK\$100. The principal activities of the Company are to manage and operate the non-profit making post-secondary institute named as Caritas Bianchi College of Careers. The Company's registered office is at 18 Chui Ling Road, Tseung Kwan O, New Territories, Hong Kong.

2. Basis of preparation

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 all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. These financial statements have been prepared under the historical cost convention.

The HKICPA has issued a number of new and amendments to HKFRSs that are first effective for current accounting year of the Company. None of these developments have had a material effect on how the Company's result and financial position for the current or prior years have been prepared or presented.

The Company has not early adopted any new and revised HKFRSs that are not yet effective for the current accounting year. Explanation of this is included in Note 12.

The preparation of the financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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3. Principal accounting policies

(a) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably.

Government grants are recognized as income over years necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. A government grant that becomes 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, is recognized as income of the year in which it becomes receivable.

(b) Functional and presentation currencies

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

(c) Financial assets measured at amortized cost

Financial assets are initially recognized at fair value and are subsequently measured at amortized cost using effective interest rate method when the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(d) Impairment of financial assets

The Company recognizes a loss allowance for expected credit loss in financial assets which are subject to impairment. The amount of expected credit loss is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

(e) Financial liabilities

Financial liabilities including payables, accruals and loans are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortized cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized.

(f) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Principal accounting policies (continued)

(g) Related parties

For the purpose of these financial statements, related party includes a person or an 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) has control or joint control over the Company;
 - (b) has significant influence over the Company; or
 - (c) is a member of the key management personnel of the Company or of a parent of 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 a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third party and the other entity is an associate of the third party.
 - (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 (i).
 - (g) A person identified in (i)(a) 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).
 - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company.

4. Revenues

Revenues recognized during the year are as follows:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Government grant	184,173.00	709,244.00
Contribution income	<u>10,550.00</u>	<u>11,805.00</u>
	<u><u>194,723.00</u></u>	<u><u>721,049.00</u></u>

5. Governors' remuneration and other interests

The governors 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 governors or their services in other capacity while as governors (2020 - Same).

6. Taxation

The Company is exempt from Hong Kong taxation under section 88 of the Hong Kong Inland Revenue Ordinance.

7. Amount due to the holding entity

Amount due to the holding entity is unsecured and interest free, and there is no fixed repayment term.

8. Financial assets and financial liabilities

(a) Categories of financial assets and liabilities

	<u>2021</u> HK\$	<u>2020</u> HK\$
<u>Financial assets - at amortized cost</u>		
Grant receivables	-	709,244.00
Bank balance	181,073.00	794,347.80
	<u>181,073.00</u>	<u>1,503,591.80</u>
<u>Financial liabilities - at amortized cost</u>		
Amount due to the holding entity	173,623.00	1,494,991.80
Accrued expenses	7,450.00	8,600.00
	<u>181,073.00</u>	<u>1,503,591.80</u>

(b) Financial risk management objectives and policies

Exposure to credit risk and liquidity risk arises in the normal course of operation of the Company. These risks are limited by the financial management policies and practices described below:

(i) Credit risk

The Company's credit risk is primarily attributable to bank balance and is insignificant because the counterparty is a creditworthy bank.

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8. Financial assets and financial liabilities (continued)

(b) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company does not provide any guarantee which would expose the Company to credit risk.

(ii) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As at 31st March 2021 and 2020, the contractual maturities of all the Company's financial liabilities, whose carrying amounts are equal to total contracted undiscounted cash flows, are due within one year or on demand.

(c) Fair values

All financial assets and liabilities are carried at amounts not materially different from their fair values as at 31st March 2021 and 2020. Fair value of financial assets and liabilities are estimated at the present values of future cash flows, discounted at current market interest rate.

9. Capital management

The Company's capital management objectives are:

- (a) to ensure the Company's ability to continue as a going concern; and
- (b) to support the Company's sustainable growth.

"Capital" is regarded as the accumulated surplus.

The Company regularly reviews and manages its capital in light of changes in economic conditions and the risk characteristics of the underlying assets so as to ensure adequacy for both operational and capital needs.

10. Accounting estimates and judgments

The key sources of estimation uncertainty and critical accounting judgements in applying the Company's accounting policies is the allowance for account receivables.

The policy on allowance for credit loss of the Company is based on the evaluation of collectability and aging analysis of loans and receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realization of these receivables, including current creditworthiness and the past collection history of each customer. If the financial conditions of the customers or debtors of the Company deteriorate thus resulting in impairment as to their ability to make payment, allowances may be required.

11. 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\$
Contribution income from the holding entity	<u>10,550.00</u>	<u>11,805.00</u>

12. New and revised HKFRSs that are not yet effective

The Company has not early applied the following new and revised HKFRSs that have been issued but not yet effective:

- HKFRS 17 - Insurance Contracts* ¹
- Amendments to HKFRS 3, Reference to the Conceptual Framework* ²
- Amendments to HKAS 16, Property, Plant and Equipment: Proceeds before Intended Use* ²
- Amendments to HKAS 37, Onerous Contracts - Cost of Fulfilling a Contract* ²
- Annual Improvements to HKFRS 2018-2020 Cycle* ²

¹ Effective for annual periods beginning on or after 1st January 2021

² Effective for annual periods beginning on or after 1st January 2022

The governors of the Company do not anticipate that the application of these new and revised HKFRSs will have a material effect on the amounts recognized in the Company's financial statements.

13. Holding entity

The governors consider the Company's holding entity to be Caritas - Hong Kong, a charitable organization incorporated in Hong Kong under the Caritas - Hong Kong Incorporation Ordinance.