

REPORT OF MANAGEMENT COMMITTEE MEMBERS  
AUDITED FINANCIAL STATEMENTS

GIVING LOVE ELDERLY CHARITABLE LIMITED  
獻愛長者慈善社有限公司

YEAR ENDED 31 MARCH 2017

Acknowledgement  
Companies Registry  
H.K.

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**WALEX CPA & CO.** Certified Public Accountants

Your professional partner

惠爾信會計師事務所

**Giving Love Elderly Charitable Limited**  
**Report of the Management Committee Members**

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The management committee members have pleasure in presenting their annual report together with the audited financial statements for the year ended 31 March 2017.

**Principal activity**

The principal activity of the Association has not changed during the year and consisted of provision of elderly charitable services.

**Financial results and state of affairs**

The results of the Association for the year ended 31 March 2017 and the state of the Association's affairs as at that date are set out in the annexed financial statements.

The Association falls within the reporting exemption for the financial year in preparing the business review as the Association is qualified as a small guarantee company in accordance with the Hong Kong Companies Ordinance.

**Plant and equipment**

Details of movements in plant and equipment during the year are set out in note 6 to the financial statements.

**Management committee members**

The management committee members during the year and up to the date of this report were:

CHIM Terence  
CHO Cheun Yu  
CHONG Ching Lam  
LO Siu Yin  
MAO Fan

In accordance with the No. 36 of the Articles of Association, all management committee members shall retire from office at the third annual general meeting next after that which he is elected, but shall be eligible for re-election.

**Management contracts**

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

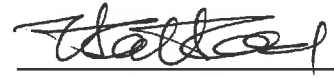
**Giving Love Elderly Charitable Limited**  
**Report of the Management Committee Members**

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**Auditors**

During the year, Ho, Lok & Pui CPA Limited, Certified Public Accountants resigned as auditor of the Company and Wale'x CPA & Co., Certified Public Accountants (Practising) were appointed by the management committee members as auditor of the Company. A resolution for the re-appointment of Wale'x CPA & Co. as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board



Chairman

Hong Kong, 24 April 2018



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GIVING LOVE ELDERLY CHARITABLE LIMITED**  
(incorporated in Hong Kong with limited by guarantee)

**Report on the Audit of Financial Statements**

*Opinion*

We have audited the financial statements of Giving Love Elderly Charitable Limited ("the Association") set out on pages 5 to 11, which comprise the statement of financial position as at 31 March 2017, 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 ("HKASs") 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 out other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Committee members' and Those Charged with Governance 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 Company 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 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 committee members 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.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### *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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a 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.

A handwritten signature in black ink, appearing to read 'Wale'x', is positioned above the printed name of the firm.

**Wale'x CPA & Co.**  
**Certified Public Accountants (Practising)**  
Units 389-391, 3<sup>rd</sup> Floor,  
Peninsula Centre, 67 Mody Road,  
Tsimshatsui East, Kowloon,  
Hong Kong, 24 April 2018

**Giving Love Elderly Charitable Limited**  
**Income statement**  
**For the year ended 31 March 2017**

	Note	2017 HK\$	2016 HK\$
REVENUE	3	998,015	996,498
DIRECT COSTS		-	(15,000)
		998,015	981,498
ADMINISTRATIVE EXPENSES		(1,077,691)	(1,060,533)
DEFICIT BEFORE INCOME TAX	4	(79,676)	(79,035)
INCOME TAX EXPENSE	5	-	-
DEFICIT FOR THE YEAR		(79,676)	(79,035)

The accompanying notes form an integral part of these financial statements.

**Giving Love Elderly Charitable Limited**  
**Statement of financial position**  
**As at 31 March 2017**

	Note	2017 HK\$	2016 HK\$
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	29,424	46,128
<b>CURRENT ASSETS</b>			
Rental and utilities deposit		34,000	34,000
Prepayment		9,500	-
Cash and bank balances		216,135	119,386
		<u>259,635</u>	<u>153,386</u>
<b>CURRENT LIABILITIES</b>			
Accruals		(206,643)	(102,940)
Amount due to a management committee member	7	(65,518)	-
		<u>(272,161)</u>	<u>(102,940)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(12,526)</u>	<u>50,446</u>
<b>NET ASSETS</b>		<u>16,898</u>	<u>96,574</u>
<b>FUND EMPLOYED</b>			
Accumulated fund	8	<u>16,898</u>	<u>96,574</u>

The accompanying notes form an integral part of these financial statements.

Approved by the board of management committee members on 24 April 2018.

  
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 Committee Member

  
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 Committee Member

**Giving Love Elderly Charitable Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2017**

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**1. Reporting entity**

Giving Love Elderly Charitable Limited is an association in Hong Kong with limited liability by guarantee. The address of its registered office is located at M/F., No. 240 Tai Po Road, Sham Shui Po, Kowloon, Hong Kong. The principal activity of the Association is provision of elderly charitable services.

**2. 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) 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 Association is a going concern.

The financial statements have been prepared under 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 recognized 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 donation and public subscription is recognized when the subsidy is received; and
- (ii) Function income is recognized when the associated functions are rendered.

**b. Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principle annual rates used for depreciation are as follow:

Leasehold improvement	25%
Plant and machinery	30%
Furniture and equipment	20%

Gain or loss arising from the retirement or disposal of an item of plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as income and expense in the income statement at the date of retirement or disposal.



**Giving Love Elderly Charitable Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2017**

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

c. Impairment of assets

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

d. 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.

e. Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

**3. Revenue**

The Association is principally dedicated itself to taking caring of elderly during the year. An analysis of the Association's revenue is as follows:

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
Revenue		
- Donation income	740,324	832,170
- Public subscription	177,024	142,548
- Functions income	<u>80,667</u>	<u>21,780</u>
	<u>998,015</u>	<u>996,498</u>

**Giving Love Elderly Charitable Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2017**

**4. Deficit before income tax**

Deficit before income tax has been arrived at after charging/(crediting):-

	2017	2016
	HK\$	HK\$
Auditor's remuneration	5,000	11,000
Depreciation	19,504	21,644
Direct costs	-	15,000
Committee members' remuneration		
-fee	-	-
-other emoluments	-	-
Operating lease in respect of office	180,000	180,000
Staff cost (excluding committee members' remuneration)*	478,279	558,053

\* Staff costs other than directors' remuneration included HK\$32,179 (2016: HK\$22,330) related to mandatory provident fund.

**5. Income tax expense**

No provision for Hong Kong Profits Tax has been provided as the Association has been exempted from all tax under section 88 of the Inland Revenue Ordinance.

**6. Plant and equipment**

	Leasehold improvements	Plant and machinery	Furniture and equipment	Total
	HK\$	HK\$	HK\$	HK\$
Cost				
At 1 April 2016	64,000	59,600	220,295	343,895
Additions	-	-	2,800	2,800
At 31 March 2017	64,000	59,600	223,095	346,695
Accumulated depreciation				
At 1 April 2016	31,000	59,600	207,167	297,767
Charge for the year	11,000	-	8,504	19,504
At 31 March 2017	42,000	59,600	215,671	317,271
Net carrying amount				
At 31 March 2017	22,000	-	7,424	29,424
At 31 March 2016	33,000	-	13,128	46,128

**Giving Love Elderly Charitable Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2017**

**7. Amount due to a management committee member**

The amount is unsecured, interest-free and has no fixed terms of repayment.

**8. Accumulated fund**

	Accumulated fund HK\$
At 1 April 2015	175,609
Deficit for the year	<u>(79,035)</u>
At 31 March 2016 and 1 April 2016	96,574
Deficit for the year	<u>(79,676)</u>
At 31 March 2017	<u>16,898</u>

**9. Operating lease commitment**

At the end of the reporting period, the Company had the following future minimum lease payments under non-cancelable operating lease:

	2017 HK\$	2016 HK\$
Not later than one year	90,000	180,000
Later than one year	<u>-</u>	<u>90,000</u>
	<u>90,000</u>	<u>270,000</u>

**10. Contingent liabilities and commitments**

At 31 March 2017, the Association had no other significant contingent liabilities and commitments.

**11. 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 afterwards, for payment 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 rights of the contributory amongst themselves, such amount may be required not exceeding HK\$10.

**Giving Love Elderly Charitable Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2017**

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**12. Related party transactions**

Except for the income received by the Association in the ordinary course of activities, such as subscriptions, there was no material transactions between Association and its management committee members or parties related to the management committee members.

**13. Approval of financial statements**

The financial statements were approved and authorized for issue by the board of management committee members on 24 April 2018.

**Giving Love Elderly Charitable Limited**  
**Detailed income statement**  
**For the year ended 31 March 2017**  
*(for management purpose only)*

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
<b>REVENUE</b>		
Donation income	740,324	832,170
Public subscription	177,024	142,548
Functions income	<u>80,667</u>	<u>21,780</u>
	998,015	996,498
<b>DIRECT COSTS</b>	<u>-</u>	<u>(15,000)</u>
	998,015	981,498
<b>ADMINISTRATIVE EXPENSES</b> <i>(Schedule 1)</i>	<u>(1,077,691)</u>	<u>(1,060,533)</u>
<b>DEFICIT BEFORE INCOME TAX</b>	<u>(79,676)</u>	<u>(79,035)</u>

**Giving Love Elderly Charitable Limited**  
**Detailed income statement**  
**For the year ended 31 March 2017**  
*(for management purpose only)*

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
<i>Schedule 1</i>		
<b>ADMINISTRATIVE EXPENSES</b>		
Auditor's remuneration	5,000	11,000
Bank charge	32,768	19,727
Computer expense	3,162	-
Consumable costs	9,505	14,057
Courier fee	561	-
Depreciation	19,504	21,644
Function expense	287,162	185,820
Mandatory contribution fund	32,179	22,330
Printing and stationery	24,738	26,284
Professional fee	10,650	13,580
Rental	180,000	180,000
Repair and maintenance	3,500	6,400
Staff salary	446,100	535,723
Sundry expense	2,976	2,850
Telephone and communication	5,796	4,468
Utilities	14,090	16,650
	<u>1,077,691</u>	<u>1,060,533</u>