

**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 2018

Giving Love Elderly Charitable Limited
Report of the Management Committee Members

The management committee members have pleasure in presenting their annual report together with the audited financial statements for the year ended 31 March 2018.

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 2018 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

Auditor

A resolution for the re-appointment of Wale's CPA & Co. as auditor of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board



CHIM Terence
Chairman

Hong Kong, 23 April 2019



**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 the 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 2018, 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 Small and Medium-Sized Entity Financial Reporting Standard* issued by HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of 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.

Responsibilities of Management Committee Members' and Those Charged with Governance for the Financial Statements

The Management 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 Management 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 Management 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 Management 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)

Audit'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 be 'Wale'x', is written over the page.

Wale'x CPA & Co.
Certified Public Accountants (Practising)
Units 389-391, 3rd Floor,
Peninsula Centre, 67 Mody Road,
Tsimshatsui East, Kowloon,
Hong Kong, 23 April 2019

Giving Love Elderly Charitable Limited
Income statement
For the year ended 31 March 2018

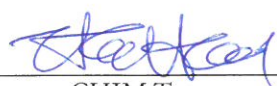
	<u>Note</u>	<u>2018</u> HK\$	<u>2017</u> HK\$
REVENUE	3	859,267	998,015
ADMINISTRATIVE EXPENSES		<u>(873,694)</u>	<u>(1,077,691)</u>
DEFICIT BEFORE INCOME TAX	4	(14,427)	(79,676)
INCOME TAX EXPENSE	5	<u>-</u>	<u>-</u>
DEFICIT FOR THE YEAR		<u><u>(14,427)</u></u>	<u><u>(79,676)</u></u>

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

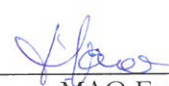
Giving Love Elderly Charitable Limited
Statement of financial position
As at 31 March 2018

	Note	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS			
Plant and equipment	6	26,360	29,424
CURRENT ASSETS			
Rental and utilities deposit		34,000	34,000
Prepayment		4,000	9,500
Temporary payment		1,950	-
Cash and bank balances		48,219	216,135
		<u>88,169</u>	<u>259,635</u>
CURRENT LIABILITIES			
Accruals		(46,250)	(206,643)
Amount due to a management committee member	7	(65,808)	(65,518)
		<u>(112,058)</u>	<u>(272,161)</u>
NET CURRENT LIABILITIES		<u>(23,889)</u>	<u>(12,526)</u>
NET ASSETS		<u>2,471</u>	<u>16,898</u>
FUND EMPLOYED			
Accumulated fund	8	<u>2,471</u>	<u>16,898</u>

Approved on behalf of the Board by:



CHIM Terence
Management Committee
Member



MAO Fan
Management Committee
Member

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

Giving Love Elderly Charitable Limited
Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 March 2018

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 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 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
Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 March 2018

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 care of elderly during the year. An analysis of the Association's revenue is as follows:

	2018	2017
	HK\$	HK\$
Revenue		
- Donation income	815,752	740,324
- Functions income	43,515	80,667
- Public subscription	-	177,024
	<u>859,267</u>	<u>998,015</u>

Giving Love Elderly Charitable Limited
Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 March 2018

4. Deficit before income tax

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

	2018	2017
	HK\$	HK\$
Auditor's remuneration	5,000	5,000
Depreciation	22,264	19,504
Management Committee Members' remuneration		
-fee	-	-
-other emoluments	-	-
Operating lease in respect of office	180,000	180,000
Staff cost (excluding committee members' remuneration)*	445,491	478,279

* Staff costs other than Management Committee Members' remuneration included HK\$23,081 (2017: HK\$32,179) 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 taxes 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 2017	64,000	59,600	223,095	346,695
Additions	-	-	19,200	19,200
At 31 March 2018	64,000	59,600	242,295	365,895
Accumulated depreciation				
At 1 April 2017	42,000	59,600	215,671	317,271
Charge for the year	11,000	-	11,264	22,264
At 31 March 2018	53,000	59,600	226,935	339,535
Net carrying amount				
At 31 March 2018	11,000	-	15,360	26,360
At 31 March 2017	22,000	-	7,424	29,424

Giving Love Elderly Charitable Limited
Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 March 2018

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 <u>HK\$</u>
At 1 April 2016	96,574
Deficit for the year	<u>(79,676)</u>
At 31 March 2017 and 1 April 2017	16,898
Deficit for the year	<u>(14,427)</u>
At 31 March 2018	<u><u>2,471</u></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:

	<u>2018</u> HK\$	<u>2017</u> HK\$
Not later than one year	180,000	90,000
Later than one year	<u>90,000</u>	<u>-</u>
	<u><u>270,000</u></u>	<u><u>90,000</u></u>

10. Contingent liabilities and commitments

At 31 March 2018, 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
Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 March 2018

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

These financial statements were authorized for issue by the Company's Board of Management Committee Members on 23 April 2019.

Giving Love Elderly Charitable Limited
Detailed income statement
For the year ended 31 March 2018
(for management purpose only)

	<u>2018</u>	<u>2017</u>
	HK\$	HK\$
REVENUE		
Donation income	815,752	740,324
Functions income	43,515	80,667
Public subscription	<u>-</u>	<u>177,024</u>
	859,267	998,015
ADMINISTRATIVE EXPENSES <i>(Schedule 1)</i>	<u>(873,694)</u>	<u>(1,077,691)</u>
DEFICIT BEFORE INCOME TAX	<u><u>(14,427)</u></u>	<u><u>(79,676)</u></u>

Giving Love Elderly Charitable Limited
Detailed income statement
For the year ended 31 March 2018
(for management purpose only)

	<u>2018</u>	<u>2017</u>
	HK\$	HK\$
<i>Schedule 1</i>		
ADMINISTRATIVE EXPENSES		
Auditor's remuneration	5,000	5,000
Bank charge	14,139	32,768
Computer expense	3,154	3,162
Consumable costs	11,892	9,505
Courier fee	934	561
Depreciation	22,264	19,504
Function expense	116,019	287,162
Mandatory contribution fund	23,081	32,179
Penalty	3,000	-
Printing and stationery	37,187	24,738
Professional fee	10,380	10,650
Rental	180,000	180,000
Repair and maintenance	400	3,500
Staff salary	422,410	446,100
Sundry expense	3,635	2,976
Telephone and communication	4,739	5,796
Utilities	15,460	14,090
	<u>873,694</u>	<u>1,077,691</u>