

**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 2021

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 2021.

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 2021 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.

Management committee members

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

CHIM Terence
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 Wai'x 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 March 2022



**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

Qualified Opinion

We have audited the financial statements of Giving Love Elderly Charitable Limited ("the Association") set out on pages 6 to 11, 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, except for the possible effects of matter described in the *Basis for Qualified Opinion* section of our report, 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 Qualified Opinion

We were unable to obtain bank confirmation from the Association's banker to verify the balances and any other bank transactions information as at 31 March 2021. However, we were able to obtain bank statements to verify the bank balances as at 31 March 2021. There were no other satisfactory audit procedures that we could adopt to verify any other bank transactions information.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA's") 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on pages 1 to 2 and detailed income statement set out on pages 12 to 13, 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 (CONTINUED)

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 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 Management Committee Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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 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 HKSA's, 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the director's 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 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 Association 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.

Matters on which we are required to report by exception

In accordance with the Hong Kong Companies Ordinance, we have the following matters to report. In our opinion:

- in respect alone of the inability to obtain sufficient appropriate audit evidence regarding the bank balances and other bank transaction information as described in the basis for qualified opinion section of our report above:
 - we have not obtained all the information and explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

Wale's CPA & Co.
Certified Public Accountants (Practising)
Units 389-391, 3rd Floor,
Peninsula Centre, 67 Mody Road,
Tsimshatsui East, Kowloon,
Hong Kong, 23 March 2022

Giving Love Elderly Charitable Limited
Income statement
For the year ended 31 March 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
REVENUE	3	940,589	846,394
ADMINISTRATIVE EXPENSES		<u>(784,940)</u>	<u>(778,617)</u>
SURPLUS BEFORE INCOME TAX	4	155,649	67,777
INCOME TAX EXPENSE	5	<u>-</u>	<u>-</u>
SURPLUS FOR THE YEAR		<u>155,649</u>	<u>67,777</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 2021

	Note	2021 HK\$	2020 HK\$
NON-CURRENT ASSETS			
Plant and equipment	6	3,840	7,680
CURRENT ASSETS			
Rental and utilities deposit		34,000	34,000
Prepayment		20,000	15,855
Cash and bank balances		314,092	154,822
		<u>368,092</u>	<u>204,677</u>
CURRENT LIABILITIES			
Accruals		(28,918)	(25,044)
Amount due to a management committee member	7	(70,701)	(70,649)
		<u>(99,619)</u>	<u>(95,693)</u>
NET CURRENT ASSETS		<u>268,473</u>	<u>108,984</u>
NET ASSETS		<u>272,313</u>	<u>116,664</u>
FUND EMPLOYED			
Accumulated fund	8	<u>272,313</u>	<u>116,664</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 2021

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 2021

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:

	2021	2020
	HK\$	HK\$
Revenue		
- Donation income	840,119	844,082
- Functions income	-	2,312
- Government subsidy	100,470	-
	<u>940,589</u>	<u>846,394</u>

Giving Love Elderly Charitable Limited
Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 March 2021

4. Surplus before income tax

Surplus before income tax is arrived at after charging:-

	2021	2020
	HK\$	HK\$
Auditor's remuneration	5,000	5,000
Depreciation	3,840	3,840
Management Committee Members' remuneration		
- fee	-	-
- other emoluments	-	-
Operating lease in respect of office	180,000	177,000
Staff cost (excluding committee members' remuneration)*	<u>465,710</u>	<u>415,635</u>

* Staff costs other than Management Committee Members' remuneration included HK\$24,789 (2020: HK\$19,725) 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 2020 and 31 March 2021	<u>64,000</u>	<u>59,600</u>	<u>242,295</u>	<u>365,895</u>
Accumulated depreciation				
At 1 April 2020	64,000	59,600	234,615	358,215
Charge for the year	<u>-</u>	<u>-</u>	<u>3,840</u>	<u>3,840</u>
At 31 March 2021	<u>64,000</u>	<u>59,600</u>	<u>238,455</u>	<u>362,055</u>
Net carrying amount				
At 31 March 2021	<u>-</u>	<u>-</u>	<u>3,840</u>	<u>3,840</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>7,680</u>	<u>7,680</u>

7. Amount due to a management committee member

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

Giving Love Elderly Charitable Limited
Accounting Policies and Explanatory Notes to the Financial Statements
For the year ended 31 March 2021

8. Accumulated fund

	Accumulated fund <u>HK\$</u>
At 1 April 2019	48,887
Surplus for the year	<u>67,777</u>
At 31 March 2020 and 1 April 2020	116,664
Surplus for the year	<u>155,649</u>
At 31 March 2021	<u>272,313</u>

9. Contingent liabilities and commitments

At 31 March 2021, the Association had no significant contingent liabilities and commitments.

10. 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.

11. 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.

12. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Management Committee Members on 23 March 2022.

Giving Love Elderly Charitable Limited
Detailed income statement
For the year ended 31 March 2021
(for management purpose only)

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
REVENUE		
Donation income	840,119	844,082
Functions income	-	2,312
Government subsidy	<u>100,470</u>	<u>-</u>
	940,589	846,394
ADMINISTRATIVE EXPENSES <i>(Schedule 1)</i>	<u>(784,940)</u>	<u>(778,617)</u>
SURPLUS BEFORE INCOME TAX	<u>155,649</u>	<u>67,777</u>

Giving Love Elderly Charitable Limited
Detailed income statement
For the year ended 31 March 2021
(for management purpose only)

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
<i>Schedule 1</i>		
ADMINISTRATIVE EXPENSES		
Auditor's remuneration	5,000	5,000
Bank charge	8,573	7,070
Cleaning expense	2,051	-
Computer expense	-	2,939
Consumable costs	-	1,822
Courier fee	26	141
Depreciation	3,840	3,840
Function expense	77,578	99,376
Insurance	1,274	-
Mandatory contribution fund	24,789	19,725
Printing and stationery	21,263	27,516
Professional fee	2,240	13,810
Rental	180,000	177,000
Repair and maintenance	1,000	-
Staff salary	440,921	395,910
Staff welfare	-	2,782
Sundry expense	2,067	2,115
Telephone and communication	8,013	6,893
Utilities	6,305	12,678
	<u>784,940</u>	<u>778,617</u>