

CARE FOR THE ELDERLY ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022

CONTENTS

	Page
REPORT OF THE EXECUTIVE COMMITTEE	1-2
INDEPENDENT AUDITOR'S REPORT	3-5
STATEMENT OF INCOME AND RETAINED EARNINGS	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9-11

CARE FOR THE ELDERLY ASSOCIATION LIMITED
REPORT OF THE EXECUTIVE COMMITTEE

The executive committee presents herewith their annual report and the audited financial statements for the year ended 31st March 2022.

PRINCIPAL ACTIVITIES

Care For The Elderly Association Limited ("the Association") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room C, 3/F., Worldwide Centre, 123 Tung Chau Street, Kowloon. The association's principal activity is promoting the welfare of aged persons by organizing charitable fund-raising. There has been no significant change during the year.

RESULTS AND APPROPRIATIONS

The results of the Association for the year ended 31st March 2022 and the state of the Association's affairs as at that date are set out in the company's financial statements on pages 6 to 11.

EXECUTIVE COMMITTEE MEMBERS

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

Ng Ting Shan (Chairman)

Chau Yin Ming, Francis

Kwok Lit Tung

Lee Yuk Chi

Ma Kam Wah

Man Siu Ling

Yu Shun Ngo

Leung Pui Yu Pamela (resigned on 3/1/2022)

In accordance with Clause 35 of the Association's Articles of Association, the term of office of the executive committee members is two years.

CARE FOR THE ELDERLY ASSOCIATION LIMITED
REPORT OF THE EXECUTIVE COMMITTEE

The following executive committee members will retire at the forthcoming annual general meeting, and being eligible, offer themselves for re-election:

Ng Ting Shan
Chau Yin Ming, Francis
Kwok Lit Tung
Lee Yuk Chi
Ma Kam Wah
Man Siu Ling
Yu Shun Ngo

EXECUTIVE COMMITTEE MEMBER'S INTEREST

In the opinion of executive committee, there were no contracts of significance to which the Association was a party and in which any executive committee member had a material interest subsisted at the end of the year or at any time during the year.

At no time during the year was the Association a party to any arrangements to enable the executive committee members to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Y. T. Lo & Co Ltd, Certified Public Accountants (Practising) as auditor of the company.

On Behalf of the Executive Committee

Ng Ting Shan
Chairman

Date : 23rd November 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CARE FOR THE ELDERLY ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the financial statements of Care For The Elderly Association Limited ("the Association") set out on pages 6 to 11, which comprise the statement of financial position as at 31st March 2022, and statement of income and retained earnings and statement of cash flows 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 2022, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAAs") 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.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE
FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CARE FOR THE ELDERLY ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited liability)

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE
FOR THE FINANCIAL STATEMENTS (CONT'D)

In preparing the financial statements, the directors 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 directors 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 solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. 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:

- i) 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CARE FOR THE ELDERLY ASSOCIATION LIMITED
(CONTINUATION)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- ii) 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.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- iv) Conclude on the appropriateness of the directors' 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.
- v) 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.

The engagement partner on the audit resulting in this independent auditor's report is Chow Hoi Ki (Practising Certificate No: P06949).

Y. T. Lo & Co Ltd
Certified Public Accountants (Practising)
Hong Kong

Date : 23rd November 2022

CARE FOR THE ELDERLY ASSOCIATION LIMITED
STATEMENT OF INCOME AND
RETAINED EARNINGS
FOR THE YEAR ENDED 31ST MARCH 2022

	Note	2022 HK\$	2021 HK\$
INCOME			
Net Income from Raffle Ticket	(3)	471,949.95	340,202.99
Donation		55,376.10	8,793.00
Bank Interest Income		21.76	21.71
		527,347.81	349,017.70
LESS : EXPENSES			
Administration Fee		225,000.00	180,000.00
Audit Fee		10,000.00	10,000.00
Bank Charge		692.80	166.40
Deficit from Rehabilitation Ticket	(4)	82,469.52	132,512.38
Postage		2,009.80	146.00
Printing and Stationery		722.00	-
Program Expenses		12,000.00	3,000.00
Sundry Expense		12,658.00	13,625.00
Telephone		440.00	-
Written-off of Accounts Receivable		17,128.63	-
		363,120.75	339,449.78
SURPLUS FOR THE YEAR			
		164,227.06	9,567.92
RETAINED EARNINGS AT START OF YEAR			
		833,498.99	823,931.07
RETAINED EARNINGS AT END OF YEAR			
		<u>\$997,726.05</u>	<u>\$833,498.99</u>

The notes on pages 9 to 11 form part of these financial statements.

CARE FOR THE ELDERLY ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2022

	Note	2022 HK\$	2021 HK\$
CURRENT ASSETS			
Account Receivables		352,420.00	441,050.20
Deposits		27,000.00	-
Cash and Bank Balance		2,972,827.67	2,736,536.28
		3,352,247.67	3,177,586.48
CURRENT LIABILITIES			
Accrued Expenses		454,521.62	444,087.49
		454,521.62	444,087.49
NET CURRENT ASSETS		2,897,726.05	2,733,498.99
NET ASSETS		<u>\$2,897,726.05</u>	<u>\$2,733,498.99</u>
EQUITY			
Accumulated Fund	(5)	997,726.05	833,498.99
Operation Fund	(5)	1,400,000.00	1,400,000.00
Research and Development Fund	(5)	500,000.00	500,000.00
		2,897,726.05	2,733,498.99
TOTAL EQUITY		<u>\$2,897,726.05</u>	<u>\$2,733,498.99</u>

The financial statements on pages 6 to 11 were approved and authorised for issue by the Executive Committee on 23rd November 2022 and are signed on its behalf by:

Ng Ting Shan
Chairman

Chau Yin Ming, Francis
Treasurer

The notes on pages 9 to 11 form part of these financial statements.

CARE FOR THE ELDERLY ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2022

	2022 HK\$	2021 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the Year	164,227.06	9,567.92
	<hr/>	<hr/>
Operating Surplus Before Working Capital Changes	164,227.06	9,567.92
(Increase) / Decrease in Accounts Receivable	88,630.20	(441,050.20)
(Increase) / Decrease in Deposit	(27,000.00)	-
Increase / (Decrease) in Accrued Expenses	10,434.13	438,389.15
Increase / (Decrease) in Received in Advance	-	(12,360.20)
	<hr/>	<hr/>
CASH GENERATED FROM/(USE IN) OPERATIONS	236,291.39	(5,453.33)
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	236,291.39	(5,453.33)
OPENING CASH AND CASH EQUIVALENTS	2,736,536.28	2,741,989.61
	<hr/>	<hr/>
CLOSING CASH AND CASH EQUIVALENTS	<u>\$2,972,827.67</u>	<u>\$2,736,536.28</u>

The notes on pages 9 to 11 form part of these financial statements.

CARE FOR THE ELDERLY ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

1. GENERAL INFORMATION

Care For The Elderly Association Limited is an Association incorporated and domiciled in Hong Kong. The company's registered office is located at Unit C, 3/F, Worldwide Centre, 123 Tung Chau Street, Kowloon. The Association's principal activity during the year is promoting the welfare of aged persons by organizing charitable fund-raising. The Association is also registered as a charitable institution under Inland Revenue Ordinance. The Association also operated a branch under the name of Care for People with Disabilities Association.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention.

a) REVENUE RECOGNITION

Income is recognised when it is probable that the economic benefits will flow to the company and when the income can be measured reliably, on the following bases:

i) Donation

Revenue from the donation is recognised on cash basis; and

ii) Revenue from project and activities

Income from project and activities are recognised when the relevant project and activities are completed; and

iii) Interest Income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

b) TAXATION

No provision for Hong Kong Profits Tax has been provided in the financial statement as the company is a charitable institution under section 88 of the Inland Revenue Ordinance and so exempted.

c) CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and at bank and demand deposits with bank.

CARE FOR THE ELDERLY ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

3. NET INCOME FROM RAFFLE TICKET (2021/075/1 and 2020/07/1)

Reason of fundraising : helping the beneficiary organizations to develop, promote and enhance the elderly service. Care for the Elderly Association Limited will reserve 15% of the donation of the year as the use of administration fee, reserve funds and promote elderly service.

	<u>2022</u>	<u>2021</u>
Fund Raised	9,316,347.66	6,569,438.51
Less: Expenditure	624,931.61	636,807.79
	<hr/>	<hr/>
Net Income	8,691,416.05	5,932,630.72
Less: Distributed to Beneficiary Organisations (Excluding Care for the Elderly Association Ltd)	8,219,466.10	5,592,427.79
	<hr/>	<hr/>
	<u>\$471,949.95</u>	<u>\$340,202.93</u>

4. DEFICIT FROM REHABILITATION TICKET (2021/118/1 and 2020/126/1)

Reason of fundraising : helping the beneficiary organization to develop and promote the rehabilitation service. Having the consent of the beneficiary organizations, the Care for the Elderly Association Limited will keep 15% of the donation collected from this fundraising event and make use of this donation to develop and promote the rehabilitation service with its subsidiary, Care for People with Disabilities Association.

Fund Raised	362,068.50	448,708.50
Less: Expenditure	123,160.02	105,090.27
	<hr/>	<hr/>
Net Income	238,908.48	343,618.23
Less: Distributed to Beneficiary Organisations (Excluding Care for the Elderly Association Ltd)	321,378.00	398,442.15
	<hr/>	<hr/>
	<u>(\$82,469.52)</u>	<u>(\$54,823.92)</u>

CARE FOR THE ELDERLY ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

5. CHANGE IN RESERVE

	As at 1/4/2021	Surplus for the year	As at 31/3/2022
Accumulated Fund	833,498.99	164,227.06	997,726.05
Operation Fund	1,400,000.00	-	1,400,000.00
Research and Development Fund	500,000.00	-	500,000.00
	<u>\$2,733,498.99</u>	<u>\$164,227.06</u>	<u>\$2,897,726.05</u>

6. KEY MANAGEMENT PERSONNELS' REMUNERATION

The company's key management personnel only include executive committee members whose remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

	<u>2022</u>	<u>2021</u>
Fee	\$Nil	\$Nil
Other Emoluments	\$Nil	\$Nil

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Executive Committee on 23rd November 2022.

(FOR MANAGEMENT PURPOSE ONLY)

CARE FOR THE ELDERLY ASSOCIATION LIMITED
 INCOME AND EXPENDITURE ACCOUNT
 OF CHARITABLE FUND-RAISING ACTIVITIES
 HELD DURING THE PERIOD FROM 30TH OCTOBER 2021
 TO 28TH NOVEMBER 2021
 (PUBLIC SUBSCRIPTION PERMITS NO. 2021/075/1)

	HK\$
INCOME	
Donation Received from Fund Raising Activities	9,131,362.40
	<hr/>
	9,131,362.40
OTHER INCOME	
Admission Fee	28,800.00
Direct Donation Received	148,560.26
Supply of Promotion Material	7,625.00
	<hr/>
	9,316,347.66
LESS: ADMINISTRATION EXPENSES	
Accounting Fee	30,000.00
Administration Fee	360,000.00
Advertising Expenses	15,618.41
Postage and Couriers	9,171.20
Printing and Stationery	9,959.00
Production Expenses	181,583.00
Sundry Expenses	18,600.00
	<hr/>
	624,931.61
	<hr/>
	8,691,416.05
DISTRIBUTION TO BENEFICIARY ORGANISATIONS	(8,691,416.05)
	<hr/>
BALANCE	<u>\$Nil</u>

(FOR MANAGEMENT PURPOSE ONLY)

CARE FOR THE ELDERLY ASSOCIATION LIMITED
 INCOME AND EXPENDITURE ACCOUNT
 OF CHARITABLE FUND-RAISING ACTIVITIES
 REHABILITATION TICKET
 HELD DURING THE PERIOD FROM 23RD JANUARY 2022
 TO 31ST MARCH 2022
 (PUBLIC SUBSCRIPTION PERMITS NO. 2021/118/1)

	HK\$
INCOME	
Donation Received from Fund Raising Activities	352,420.00
	352,420.00
OTHER INCOME	
Admission Fee	4,800.00
Direct Donation Received	4,848.50
	362,068.50
LESS: ADMINISTRATION EXPENSES	
Bank Charges	16.40
Management Fee	70,000.00
Printing and Couriers	848.90
Production Expenses	39,955.00
Promotion	8,659.22
Sundry Expenses	3,680.50
	123,160.02
	238,908.48
DISTRIBUTION TO BENEFICIARY ORGANISATIONS	(321,378.00)
	(82,469.52)
Amount absorbed by Care for the Elderly Association Limited	82,469.52
	<u>\$Nil</u>

CARE FOR THE ELDERLY ASSOCIATION LIMITED
 JOURNAL ADJUSTMENTS/PROFIT RECONCILIATION STATEMENT
 AT 31ST MARCH 2022

		DR HK\$	CR HK\$	Effect on Profit and Loss A/C
JV 1	Deposits	27,000.00		
	Sundry Expenses		27,000.00	27,000.00
	Being deposit for online donation system.			
JV 2	Administration Fee	45,000.00		(45,000.00)
	Written-off of Accounts Receivable	17,128.63		(17,128.63)
	Accrued Expenses		62,128.63	
	Being written-off of accounts receivable and reallocation of administration fee.			
			Total	(35,128.63)
	PROFIT AFTER TAXATION PER CLIENT'S ACCOUNTS			199,355.69
	PROFIT AFTER TAXATION PER AUDITED ACCOUNTS			<u>\$164,227.06</u>

Approved By

 Chairman
 Ng Ting Shan