

THE HONG KONG ASSOCIATION OF SENIOR CITIZENS

香港長者協會

(REGISTERED IN HONG KONG UNDER SECTION 5A(1)

OF THE SOCIETIES ORDINANCE)

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

黃龍德會計師事務所有限公司

香港執業會計師、英國特許會計師

PATRICK WONG C.P.A. LIMITED

Certified Public Accountants (Practising), Hong Kong Chartered Accountants



黃龍德會計師



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(All amounts in Hong Kong Dollars unless otherwise stated)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HONG KONG ASSOCIATION OF SENIOR CITIZENS 香港長者協會

(REGISTERED IN HONG KONG UNDER SECTION 5A(1) OF THE SOCIETIES ORDINANCE)

Opinion

We have audited the financial statements of The Hong Kong Association of Senior Citizens (the "Association") set out on pages 3 to 12, which comprise the statement of financial position as at 30 September 2019, and the statement of income and retained surplus 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 Association as at 30 September 2019 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 Institution of Certified Public Accountant ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 Association 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 the committee members and those charged with governance for the financial statements

The committee members are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA, 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 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 committee members either intends 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.

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, in accordance with our agreed terms of engagement, and for no other purposes. 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.

(to be continued, P.T.O.)

聯營公司 :

Associated :

龍德商務顧問有限公司
LT Business Consultants Limited

澳門黃林梁郭有限公司
Macau Wong Lam Leung & Kwok Limited

江門市龍德諮詢服務有限公司
Jiangmen Longde Consultants Limited



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE HONG KONG ASSOCIATION OF SENIOR CITIZENS
香港長者協會
(REGISTERED IN HONG KONG UNDER SECTION 5A(1) OF THE SOCIETIES ORDINANCE)
(CONTINUED)

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

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

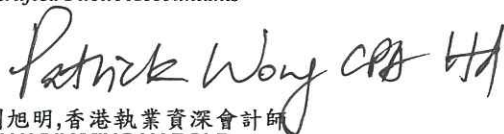
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' 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.

PATRICK WONG C.P.A. LIMITED

黃龍德會計師事務所有限公司

Certified Public Accountants



劉旭明, 香港執業資深會計師

LAU YUK MING HAROLD

FCPA (Practising), MSCA

Certified Public Accountant (Practising), Hong Kong

Practising Certificate Number: P05468

Hong Kong, 3 March 2020

Ref: T771/A/PW/HL/1478/1529/486

THE HONG KONG ASSOCIATION OF SENIOR CITIZENS

香港長者協會

(REGISTERED IN HONG KONG UNDER SECTION 5A(1) OF THE SOCIETIES ORDINANCE)

**STATEMENT OF INCOME AND RETAINED SURPLUS
YEAR ENDED 30 SEPTEMBER 2019**

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
Revenue	3	548,924	1,143,424
Cost of revenue		(288,930)	(497,203)
		-----	-----
		259,994	646,221
Other revenue	4	2,025	3,500
General and administrative expenses		(436,733)	(405,270)
		-----	-----
(Deficit)/surplus for the year	5	(174,714)	244,451
Retained surplus at beginning of the year		792,970	548,519
		-----	-----
Retained surplus at end of the year		618,256	792,970
		=====	=====

The notes on pages 6 to 12 form an integral part of these financial statements.
Independent Auditor's Report - Pages 1 and 2

THE HONG KONG ASSOCIATION OF SENIOR CITIZENS

香港長者協會

(REGISTERED IN HONG KONG UNDER SECTION 5A(1) OF THE SOCIETIES ORDINANCE)

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2019

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
Non-current asset			
Plant and equipment	8	-	-
Current assets			
Utility and other deposits		7,570	7,570
Amount due from a related company	9	128,459	120,999
Cash at banks and on hand	10	719,663	901,537
		855,692	1,030,106
Current liability			
Accrued expenses		66,801	66,501
Net current assets		788,891	963,605
Net assets		788,891	963,605
Funds			
General funds		170,635	170,635
Retained surplus		618,256	792,970
		788,891	963,605

APPROVED BY:-



Mak Hon Kai
Chairman



Ho Ping Chiu
Treasurer

The notes on pages 6 to 12 form an integral part of these financial statements.
Independent Auditor's Report - Pages 1 and 2

THE HONG KONG ASSOCIATION OF SENIOR CITIZENS

香港長者協會

(REGISTERED IN HONG KONG UNDER SECTION 5A(1) OF THE SOCIETIES ORDINANCE)

STATEMENT OF CASH FLOWS
YEAR ENDED 30 SEPTEMBER 2019

	<u>Note</u>	<u>2019</u> \$	<u>2018</u> \$
Operating activities			
(Deficit)/surplus for the year and			
operating (deficit)/surplus before working capital changes		(174,714)	244,451
Decrease in inventories		-	1,050
Increase in amount due from a related company		(7,460)	(7,220)
Increase in accrued expenses		300	-
		-----	-----
Net cash (used in)/generated from operating activities		(181,874)	238,281
		-----	-----
Net (decrease)/increase in cash and cash equivalents		(181,874)	238,281
Cash and cash equivalents			
at beginning of the year		901,537	663,256
		-----	-----
Cash and cash equivalents			
at end of the year	10	719,663	901,537
		=====	=====

The notes on pages 6 to 12 form an integral part of these financial statements.
Independent Auditor's Report - Pages 1 and 2

THE HONG KONG ASSOCIATION OF SENIOR CITIZENS

香港長者協會

(REGISTERED IN HONG KONG UNDER SECTION 5A(1) OF THE SOCIETIES ORDINANCE)

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2019

1. GENERAL INFORMATION

The Hong Kong Association of Senior Citizens (the “Association”) is registered in Hong Kong under Section 5A(1) of the Societies Ordinance. The address of its registered office is Room 301, Lai Lan House, Lai Kok Estate, Cheung Sha Wan, Kowloon, Hong Kong.

The principal activities of the Association during the year were to organize and encourage aged persons to participate in social activities and to provide means of advancing the education and welfare of the elderly.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These 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 and on the basis that the Association is a going concern.

(a) Plant and equipment

Plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:-

Furniture and equipment	20%
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The residual value and the useful life of an asset are reviewed at least at the end of each reporting period.

The Association assesses at the end of each reporting period whether there is any indication that any items of plant and equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the Association estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in profit or loss.

Gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(b) Accounts and other receivable

Accounts and other receivable are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At the end of each reporting period, the Association assesses whether there is any objective evidence that a receivable or group of receivables is impaired. Impairment losses on other receivables are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank. Cash and 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.

(d) Other payables

Other payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

(e) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases of assets are classified as finance leases when the leases transfer substantially all risks and rewards incidental to ownership of the assets to the Association. All other leases are classified as operating leases.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(f) Revenue recognition

Revenue is recognised in surplus or deficit provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, as follows:

- (i) Annual and life subscription income, ticket receipt and donation income are recognised when no significant uncertainty as to its collectability exists.
- (ii) Income from classes. Celebration and activities are recognised as income upon completion of the relevant functions in the year.
- (iii) Sales of good are recognized when the significant risks and rewards of the ownership of the goods are transferred to the buyer, and the Association retains no more effective control over the goods; and
- (iv) Interest income is recognised using the effective interest method.

(g) Related parties

(a) A person or a close member of that person's family is related to the Association if that person:

- (i) has control or joint control over the Association;
- (ii) has significant influence over the Association; or
- (iii) is a member of the key management personnel of the Association.

(b) An entity is related to the Association if any of the following conditions applies:

- (i) the entity is controlled or jointly controlled by a person identified in (a).
- (ii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.

(h) Foreign currency translation

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. At the end of each reporting period, monetary assets and liabilities in foreign currencies are translated at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair value was determined. Exchange gains and losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
 30 SEPTEMBER 2019

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(i) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the statement of financial position date by reference to the possibility that employees may leave before they use accumulated non-vesting entitlements.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(ii) Retirement benefit costs

The Association has joined the Mandatory Provident Fund Scheme (the MPF Scheme) established under the Mandatory Provident Fund Ordinance. The Association contributes 5% of the relevant income of staff members under the MPF Scheme. The assets of the Scheme are held separately from those of the Association, in funds under the control of trustee.

Payments to the MPF Scheme are charged as an expense as they fall due.

3. REVENUE

Analysis of revenue by category as follow:-

	<u>2019</u>	<u>2018</u>
	\$	\$
Annual and life subscription income	23,880	31,560
Donation income	86,206	82,434
Income from classes	200,665	118,590
Income from celebration and activities	75,235	63,490
Income from fund raising activities	16,050	840,190
Income from programme	146,888	7,160
	-----	-----
	548,924	1,143,424
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
 30 SEPTEMBER 2019

4. OTHER REVENUE

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Sundry income	2,025	3,500
	<u>2,025</u>	<u>3,500</u>

5. (DEFICIT)/ SURPLUS FOR THE YEAR

(Deficit)/surplus for the year is arrived at after charging the following:-

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Staff costs		
- Contributions to Mandatory Provident Funds	12,616	11,328
- Salaries, wages and other benefits	252,327	227,440
	264,943	238,768
Operating lease charges	68,352	66,790
	<u>333,295</u>	<u>305,558</u>

6. COMMITTEE MEMBERS' EMOLUMENTS

Committee members' emoluments for the year ended 30 September 2019 is nil (2018: nil).

7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in the financial statements of the Association as the Association is an approved charitable institution. It is exempted from payment of tax by virtue of Section 88 of the Inland Revenue Ordinance.

NOTES TO THE FINANCIAL STATEMENTS
 30 SEPTEMBER 2019

8. PLANT AND EQUIPMENT

	Furniture and equipment
	<u>\$</u>
Cost	
At 1 October 2018 and at 30 September 2019	78,961
Accumulated depreciation	
At 1 October 2018 and at 30 September 2019	78,961
Carrying amount	
At 30 September 2019	-
At 30 September 2018	-

9. AMOUNT DUE FROM A RELATED COMPANY

The amount due from a related company is unsecured, interest-free and repayable on demand.

10. CASH AND CASH EQUIVALENTS

	<u>2019</u> <u>\$</u>	<u>2018</u> <u>\$</u>
Cash at bank and on hand	719,663	901,537
Cash and cash equivalents in the statement of financial position and statement of cash flows	719,663	901,537

NOTES TO THE FINANCIAL STATEMENTS
 30 SEPTEMBER 2019

11. COMMITMENTS

At 30 September 2019, the total future minimum lease payments under non-cancellable operating leases in respect of properties for each of the following periods were:

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Not later than one year	69,384	32,340
Within two to five years	104,076	-
	-----	-----
	173,460	32,340
	=====	=====

12. MATERIAL RELATED PARTY DISCLOSURES

In additions to the details elsewhere in these financial statements, the Association had the following material transaction with related party during the period:-

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Expenses paid on behalf of the related company	8,860	8,560
	=====	=====

13. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Association on 3 March 2020.