

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED
香港傷健共融網絡有限公司**

REPORTS

AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

BRILLIANT ASCENT CPA & CO.

CERTIFIED PUBLIC ACCOUNTANTS

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

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HONG KONG NETWORK FOR THE PROMOTION OF INCLUSIVE SOCIETY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the annual consolidated financial statements of the Hong Kong Network for the Promotion of Inclusive Society Limited (the “Company”) and its subsidiary (the “Group”) for the year ended 31 August 2020 (the “year”) which were approved by them at the board meeting held on the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of the Company are principally engaged in promoting social inclusion through sports rehabilitation services, to alleviate poverty of second generation of disabled families by way of providing on-site tutorial classes and education programs and to provide social and recreational services. Details of the subsidiary of the Company are set out in Note (11b) to the consolidated financial statements.

RESULTS AND APPROPRIATION

The results of the Group for the year are set out in the consolidated statement of income and expenditure on page 6.

The directors do not recommend the payment of a dividend for the year.

PLANT AND EQUIPMENT

Movements in plant and equipment are set out in Note (9) to the financial statements.

DIRECTORS

The directors of the Company who held office during the year and up to the date of this report were:

CHENG Yee Man Elaine
LAM Wai Pong
LO Tak Wing Benson
SIU Kim Ping Edmond
CHAN Charles Cham Chuen
WONG King Wai Kirk

There being no provision in the Company’s Articles of Association for the retirement and rotation of directors. All the existing directors continue in office for the ensuing year.

DIRECTORS’ MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Except for the related party transactions as disclosed in Note (13) of the financial statements, no other transactions, arrangements and contracts of significance in relation to the Company, or any of its subsidiary was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

REPORT OF THE DIRECTORS (CONT'D)

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Group is exempted from preparing a business review.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

EQUITY-LINKED ARRANGEMENTS

During the financial year, the Company entered into no equity-linked agreement.

At the end of the financial year, the Company subsisted of no equity-linked agreement.

AUDITOR

A resolution to re-appoint Messrs. Brilliant Ascent CPA & Co. as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board



Lam Wai Pong
Chairman
Hong Kong
4 January 2021

BRILLIANT ASCENT CPA & CO. CERTIFIED PUBLIC ACCOUNTANTS
耀進會計師事務所

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED
(incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the consolidated financial statements of Hong Kong Network for the Promotion of Inclusive Society Limited (the "Company") and its subsidiary (the "Group") set out on pages 6 to 19 which comprise the consolidated statement of financial position as at 31 August 2020, and the consolidated statement of income and expenditure and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements of the Group 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 the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in report of the directors, 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 identified above when it becomes available 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 (CONT'D)
TO THE MEMBERS OF
HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED
(incorporated in Hong Kong with limited by guarantee)

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements in accordance with the SME-FRS 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated 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, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap.622) and for no other purpose. 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 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF
HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED
(incorporated in Hong Kong with limited by guarantee)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

- 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Brilliant Ascent CPA & Co.
Certified Public Accountants
Hong Kong
4 January 2021

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	<u>2020</u> HK\$	<u>2019</u> HK\$
INCOME			
Donation income	(3)	1,067,437	3,715,775
Project funding income	(3)	3,222,443	2,081,483
Other income	(4)	<u>212,990</u>	<u>52,491</u>
		<u>4,502,870</u>	<u>5,849,749</u>
EXPENDITURE			
Depreciation		9,245	7,635
Administrative expenses	(5)	34,200	19,000
Other operating expenses	(6)	<u>4,791,221</u>	<u>5,488,121</u>
		<u>4,834,666</u>	<u>5,514,756</u>
(DEFICIT)/SURPLUS BEFORE TAXATION		(331,796)	334,993
TAXATION	(8)	<u>2,400</u>	(2,400)
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(329,396)</u>	<u>332,593</u>

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


**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

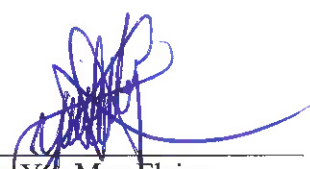
AS AT 31 AUGUST 2020

	Notes	<u>2020</u> HK\$	<u>2019</u> HK\$
Non-Current Asset			
Plant and equipment	(9)	13,869	17,815
Current Assets			
Deposit and prepayment		222,542	141,700
Accounts receivable		-	442,270
Cash and bank balances		2,925,817	2,439,899
		<u>3,148,359</u>	<u>3,023,869</u>
Current Liabilities			
Receipt in advance		903,718	-
Accruals		43,105	494,483
Provision for taxation		-	2,400
		<u>946,823</u>	<u>496,883</u>
Net Current Assets		<u>2,201,536</u>	<u>2,526,986</u>
Net Assets		<u>2,215,405</u>	<u>2,544,801</u>
Reserve Funds			
Donation reserves	(10)	2,668,135	2,994,593
Accumulated deficit	(10)	<u>(452,730)</u>	<u>(449,792)</u>
Total Funds		<u>2,215,405</u>	<u>2,544,801</u>

Approved by the Board of Directors on 4 January 2021 and signed on its behalf by:



Lam Wai Pong
Director



Cheng Yee Man Elaine
Director

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

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus before taxation	(331,796)	334,993
Adjustments for:		
Depreciation	9,245	7,635
Bank interest income	(350)	(1,516)
	<hr/>	<hr/>
OPERATING (DEFICIT)/SURPLUS BEFORE WORKING CAPITAL CHANGES	(322,901)	341,112
Increase in deposit and prepayment	(80,842)	(109,800)
Decrease/(Increase) in accounts receivable	442,270	(5,930)
Increase in receipt in advance	903,718	-
(Decrease)/Increase in accruals	(451,378)	470,492
	<hr/>	<hr/>
Cash generated from operating activities	490,867	695,874
Interest received	350	1,516
	<hr/>	<hr/>
Net cash generated from operating activities	491,217	697,390
CASH FLOWS FROM INVESTING ACTIVITY		
Purchases of plant and equipment and net cash used in investing activity	(5,299)	(25,450)
CASH FLOWS FROM FINANCING ACTIVITY		
	<hr/>	<hr/>
	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	485,918	671,940
CASH AND CASH EQUIVALENTS AT BEGINNING YEAR	<hr/>	<hr/>
	2,439,899	1,767,959
CASH AND CASH EQUIVALENTS AT END OF YEAR	<hr/> <hr/>	<hr/> <hr/>
	2,925,817	2,439,899

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

HONG KONG NETWORK FOR THE PROMOTION OF INCLUSIVE SOCIETY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

1. GENERAL

Hong Kong Network for the Promotion of Inclusive Society Limited is a company incorporated in Hong Kong with limited by guarantee. The address is located at Room 12B, 12/F., Wing Wong Commercial Building, 557-559 Nathan Road, Yau Ma Tei, Kowloon.

The Company and its subsidiary (the “Group”) are principally engaged in promoting social inclusion through sports rehabilitation services, alleviating poverty of second generation of disabled families by way of providing on-site tutorial classes and education programs, providing social and recreational services and developing of digital navigation system. The subsidiary ceased its business on 31 August 2020.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company and its subsidiary qualify for the reporting exemption as small guarantee company under section 359(1)(a) and 363 of the Hong Kong Companies Ordinance (Cap. 622), and the group as a whole qualifies for the reporting exemption as a small private group under section 359(2). The group is therefore entitled to prepare and present its consolidated 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 consolidated financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the group is a going concern.

The Company’s financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company.

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 consolidated financial statements:

a. Basic of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all of its subsidiaries set out in note 1(c) to the consolidated financial statements. The subsidiary is fully consolidated from the date on which control is transferred to the Group and is de-consolidated from the date that control ceases. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The consolidated financial statements present financial information about the Group as a single economic entity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profits and losses resulting from intragroup transactions are eliminated in full unless the losses indicate an impairment that requires recognition in the consolidated financial statements. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events and conditions in similar circumstances. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. The financial statements of the Company and of its subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same reporting date (equivalent to the end of reporting period of the Company).

HONG KONG NETWORK FOR THE PROMOTION OF INCLUSIVE SOCIETY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

b. Revenue

Revenue is measured at the consideration received and receivable. Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- Donations and events income are recognised when the right to receive payment is established;
- Projects funding income from funding is recognised when the right to receive payment is established;
- Membership income is recognised when the members joined;
- Service fee income is recognised when the relevant services are rendered;
- Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable; and
- Other income is recognised on a receipt basis.

c. Taxation

Income tax expenses represent current tax expenses. The income tax payable (or recoverable) represents the amounts expected to be paid to (or refunded from) 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.

d. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Group at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

HONG KONG NETWORK FOR THE PROMOTION OF INCLUSIVE SOCIETY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

e. Employee Benefits

Employee benefits are all forms of considerations, including wages, salaries allowances and contribution to retirement benefit scheme payable by the Company in exchange for services rendered by its employees and directors. The employee benefits are classified as staff costs and charged to the Income Statement.

Employee entitlements to annual leave, sick leave and maternity leave are not recognised until the time of leave as the directors consider that no material liability would likely arise as a result of the such entitlement in the near future.

f. Retirement Benefit Scheme

The Company participates in Mandatory Provident Fund Scheme (“MPF Scheme”) for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Company in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules.

The MPF Scheme is a defined contribution plan and the Company is only obliged to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The retirement benefit cost arising from the MPF scheme charged to the Income Statement represent contribution payable to the funds by the Company in accordance with the rules of the MPF scheme.

g. Plant and Equipment

Plant and equipment are stated at cost less aggregate depreciation and aggregate identified impairment loss, if any.

Depreciation of other assets is provided at rates calculated to write off their cost on a straight-line basis over the year of their estimated useful lives at the following rate per annum.

Computer	30%
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When assets are sold or written off, any gain or loss arising from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets, is recognised in the Income Statement.

The asset’s residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

HONG KONG NETWORK FOR THE PROMOTION OF INCLUSIVE SOCIETY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

h. Impairment of Assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the Income Statement. A previously recognised 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 amortisation of depreciation), had no impairment losses been recognised for the asset in prior years.

i. Accounts Receivables

Accounts receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the statement of income and expenditure.

j. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

k. Other Payables

Other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

l. Provision

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

HONG KONG NETWORK FOR THE PROMOTION OF INCLUSIVE SOCIETY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

m. Related Parties

For the purpose of these consolidated financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) has control or joint control of the Group and the Company;
 - (ii) has significant influence over the Group and the Company; or
 - (iii) is a member of the key management personnel of the Group and the Company or of a parent of the Group and the Company.

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Group and the Company. If the Group and the Company is itself such a plan, the sponsoring employers are also related to the Group and the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Company.

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

3. REVENUE

The principal activities of the Group are to promote social inclusion through sports rehabilitation services, alleviate poverty of second generation of disabled families by way of providing on-site tutorial classes and education programs, provide social and recreational services and develop of digital navigation system. Revenue represents fund raised during the year. An analysis of the Group's revenue are set out below:

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Donations, membership and events income		
General donations	96,782	215,428
Donation for events	694,483	1,997,821
Activity income	276,172	1,502,526
	1,067,437	3,715,775
Projects funding income		
The Sports Empowerment and Inclusion Project	21,920	-
Government funding	-	84,808
Hong Kong Jockey Club funding	1,445,700	1,996,675
COVID 19 Emergency Fund	486,150	-
Partnership F-disadvantaged	230,000	-
Fearless Dragon Charity Run 2020	938,673	-
Fearless Dragon Trail Run	100,000	-
	3,222,443	2,081,483
	4,289,880	5,797,258

4. OTHER INCOME

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Government employment support	179,205	-
Service fee income	-	34,475
Sundry income	33,435	16,500
Bank interest income	350	1,516
	212,990	52,491

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 August 2020

5. ADMINISTRATIVE EXPENSES

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Auditor's remuneration		
- Current year	5,000	19,000
- Under provision in previous year	2,000	-
Company secretarial fee	27,200	-
	34,200	19,000

6. OTHER OPERATING EXPENSES

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Activity material consumed	-	93,907
Advertisement and promotion	-	3,008
Bank charges	372	210
Business registration fee	250	2,250
Cleaning charge	6,790	7,140
Computer expenses	2,350	3,555
Cost of events	2,940,242	2,793,115
Entertainment	-	3,687
Insurance	27,598	10,917
Local travelling	4,158	11,722
Medical fee	4,470	3,520
MPF contribution	69,004	72,238
Office supplies	1,324	12,351
Printing and stationery	4,237	21,524
Rental expenses	356,000	190,000
Repair and maintenance	3,714	4,292
Staff messing	5,280	10,060
Sundry expenses	59,479	10,765
Telephone	6,947	12,368
Team meeting expenses	23,079	36,930
Tutor, coach and trainer fee	123,706	482,806
Utilities	8,534	13,608
Wages and salaries	1,143,687	1,688,148
	4,791,221	5,488,121

7. DIRECTORS' REMUNERATION

The directors did not receive any fees and emoluments in respect of their services rendered to the Company during the year.

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

8. TAXATION

The Company is a charitable organization within the meaning of Section 88 of the Hong Kong Inland Revenue Ordinance (Chapter 112) and, accordingly, is exempted from Hong Kong profits tax.

No Hong Kong profits tax has been provided in the financial statements for the year as the subsidiary as made no estimated assessable profits for the year. (2019: 8.25%)

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Tax charge for the year	-	2,400
Overprovision in previous year	(2,400)	-
	(2,400)	2,400

9. PLANT AND EQUIPMENT

	<u>Computer</u>
	HK\$
<u>Cost</u>	
At 1 September 2019	25,450
Addition	5,299
	30,749
<u>Accumulated Depreciation</u>	
At 1 September 2019	7,635
Charge for the year	9,245
	16,880
<u>Net Carrying Amount</u>	
At 31 August 2020	13,869
At 31 August 2019	17,815

10. CHANGE IN FUNDS

	<u>Donation</u>	<u>Accumulated</u>	<u>Total</u>
	Reserves	Deficit	Total
	HK\$	HK\$	HK\$
At 1 September 2019	2,994,593	(449,792)	2,544,801
Deficit for the year	(326,458)	(2,938)	(329,396)
At 31 August 2020	2,668,135	(452,730)	2,215,405

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**


NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

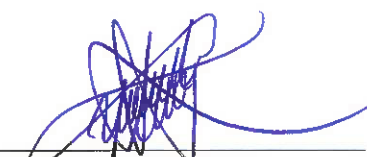
11. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2020 HK\$	2019 HK\$
Non-Current Assets			
Interest in a subsidiary	11(a)	202,900	198,000
Plant and equipment		13,869	17,815
		216,769	215,815
Current Assets			
Prepayment		222,542	141,700
Accounts receivable		-	442,270
Cash and bank balances		2,869,647	2,383,291
		3,092,189	2,967,261
Current Liabilities			
Receipt in advance		903,718	-
Accruals		41,105	492,482
		944,823	492,482
Net Current Assets		2,147,366	2,474,779
Net Assets		2,364,135	2,690,594
Reserves Fund			
Donation reserves	11(c)	2,364,135	2,690,594

Approved by the Board of Directors on 4 January 2021 and signed on its behalf by:



Lam Wai Pong
Director



Cheng Yee Man Elaine
Director

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

11. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONT'D)

NOTES:

(a) Interest in a subsidiary

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Unlisted shares, at cost	10,000	10,000
Amount due from a subsidiary (Note)	192,900	188,000
	202,900	198,000

Note: The amount due is unsecured, interest free and has no fixed repayment terms.

(b) Details of the subsidiary are as follows:

<u>Company name</u>	<u>Place of registration/ operation</u>	<u>Paid-up share/ registered</u>	<u>Percentage of equity attributable to the Company</u>	<u>Principal activity</u>
Universal Design Technology Company Limited	Hong Kong	HK\$10,000	100%	Provision of consultancy services on the development of software for people with disability

The subsidiary ceased its business on 31 August 2020.

(c) Reserves

	<u>Donation Reserves</u>
	HK\$
At 1 September 2019	2,690,594
Deficit for the year	(326,459)
At 31 August 2020	2,364,135

**HONG KONG NETWORK FOR THE PROMOTION OF
INCLUSIVE SOCIETY LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2020

12. OPERATING LEASE COMMITMENTS

At the end of the reporting year, the Group was entitled to pay the minimum lease payments from its non-cancellable operating leases, which fall due as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Within one year	518,000	236,000
In the second to fifth years inclusive	418,000	34,000
	<u>936,000</u>	<u>270,000</u>

13. RELATED PARTY TRANSACTIONS

The Group had the transactions with its related parties during the year are as follows:

	<u>2020</u> HK\$	<u>2019</u> HK\$
Donation income received from a director	-	270,000
Salary paid to a director's spouse	-	85,200

14. EVENT AFTER THE REPORTING PERIOD

Since March 2020, the global was being impacted by the spread of the COVID-19 coronavirus. The management of the Company has considered the impact of the coronavirus that this will have on the business and currently believes that there are no immediate going concern indicators in the Company. The situation is being closely monitored by the management of the Company. No additional provision has currently been included in the Company's financial statements due to coronavirus during the year.

15. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issued by the Board of directors on 4 January 2021.