

PEOPLE SERVICE CENTRE LIMITED

民社服務中心有限公司

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

CK CPA & Co.

Certified Public Accountants

Unit 803, 8th Floor, Shanghai Industrial Investment Building,
48-62 Hennessy Road, Wanchai,
HONG KONG

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

<u>CONTENTS</u>	<u>PAGE(S)</u>
DIRECTORS' REPORT	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 THE FINANCIAL STATEMENTS	9 - 18

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
DIRECTORS' REPORT

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30 September 2020.

Principal activities

The principal activity of the company is providing non-profit making social welfare services to the old, weal, poor and needy persons.

Business review

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

Results and appropriations

The financial performance of the company for the year ended 30 September 2020 and the financial position of the company as at that date are set out in the financial statements on pages 6 to 18.

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

Property, plant and equipment

Details of movements in property, plant and equipment of the company are set out in note 13 to the financial statements.

Directors

The directors of the company during the year and up to date of this report were: -

Lee Yiu Kwan
Tang Wai Chung
Fung Ping Chuen
Ng Hang Sau
Wong Kwok Kei
Cheng Fung Ping Rosesangela
Cheung Kwok Che
Mok Hing Luen
Chan Wai Yee Florance

In accordance with the company's articles of association, all directors will be elected at every alternate annual general meeting.

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
DIRECTORS' REPORT

Management contract

The company did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full-time employment of the company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the company.

Equity-linked agreement

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.

Permitted indemnity provisions

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.

Directors' interests in contracts of significance

No contract of significance to which the company was a party and in which directors 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.

Auditor

Clodick & Company resigned and CK CPA & Co., Certified Public Accountants was appointed auditor of the company. A resolution will be submitted to the annual general meeting at the company to re-appoint CK CPA & Co. as auditor of the company.

On behalf of the Board



NG Hang Sau
Director

Hong Kong, 7 June 2021



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PEOPLE SERVICE CENTRE LIMITED**
民社服務中心有限公司
(incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of People Service Centre Limited (the "company") set out on pages 6 to 18, which comprise the statement of financial position as at 30 September 2020, and the 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 30 September 2020, 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 PE") 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") 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, 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
TO THE MEMBERS OF PEOPLE SERVICE CENTRE LIMITED**
民社服務中心有限公司
(incorporated in Hong Kong with limited by guarantee)

Responsibilities of the 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 PE 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.

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 intends 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. 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:

- 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 company'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
TO THE MEMBERS OF PEOPLE SERVICE CENTRE LIMITED**
民社服務中心有限公司
(incorporated in Hong Kong with limited by guarantee)

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

- 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.
- 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.

CK CPA & Co.
Certified Public Accountants

CHAN Ka Yin
Practising Certificate Number: P05538

Hong Kong, 7 June 2021

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Revenue			
Projects income	4	9,030,256	5,406,007
Income from fund raising activities and donation income	5	<u>1,632,388</u>	<u>1,523,077</u>
		10,662,644	6,929,084
Other income	6	253,265	75,078
Projects expenses	7	(9,256,749)	(5,801,721)
Fund raising activities expenses	8	(105,938)	(171,530)
General expenses	9	(569,297)	(452,601)
Other expenses	10	<u>(2,437,094)</u>	<u>(925,031)</u>
Deficit before tax		(1,453,169)	(346,721)
Income tax expense	12	<u>-</u>	<u>-</u>
Deficit for the year		(1,453,169)	(346,721)
Accumulated surplus at beginning of year		<u>5,410,056</u>	<u>5,756,777</u>
Accumulated surplus at end of year		<u><u>3,956,887</u></u>	<u><u>5,410,056</u></u>

The notes on pages 9 to 18 form part of these financial statements.

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Non-current assets			
Property, plant and equipment	13	1,982,000	2,025,643
Investment in subsidiaries	14	-	100
		1,982,000	2,025,743
Current assets			
Accounts receivable		2,030,106	1,655,886
Deposits paid		129,890	99,990
Other receivables and prepayment		1,472,555	3,422,967
Due from a subsidiary	15	-	2,133,215
Cash and cash equivalents	16	3,593,108	1,062,120
		7,225,659	8,374,178
Current liabilities			
Advance receipt		3,878,200	3,326,685
Accruals		267,746	678,354
Other payables		1,104,826	984,826
		5,250,772	4,989,865
Net current assets		<u>1,974,887</u>	<u>3,384,313</u>
Net assets		<u>3,956,887</u>	<u>5,410,056</u>
Equity			
Accumulated surplus		<u>3,956,887</u>	<u>5,410,056</u>

The financial statements on pages 6 to 18 were approved and authorised for issue by the Board of Director on 7 June 2021.



NG Hang Sau
DIRECTOR



LEE Yiu Kwan
DIRECTOR

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	<u>Note</u>	<u>2020</u> HK\$	<u>2019</u> HK\$
Operating activities			
Deficit before tax		(1,453,169)	(346,721)
Adjustments for:-			
Bank interest income	6	(41)	(173)
Depreciation	9, 13	66,400	60,710
Impairment loss on investment in subsidiaries	10	<u>2,437,094</u>	<u>925,031</u>
Operating surplus before changes in working capital		1,050,284	638,847
Increase in accounts receivable		(374,220)	(497,329)
Increase in deposits paid		(29,900)	(12,700)
Decrease / (increase) in other receivables and prepayment		1,950,412	(1,666,834)
Increase in amount due from subsidiary		(3,779)	(300,358)
Increase in advance receipt		551,515	884,989
(Decrease) / increase in accruals		(410,608)	411,841
(Decrease) / increase in other payables		<u>(180,000)</u>	<u>550,000</u>
Net cash generated from operating activities		2,553,704	8,456
Investing activities			
Payment for purchases of property, plant and equipment		(22,757)	(12,500)
Bank interest income received	6	41	173
Net cash used in investing activities		<u>(22,716)</u>	<u>(12,327)</u>
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year	16	<u>1,062,120</u>	<u>1,065,991</u>
Cash and cash equivalents at end of year	16	<u><u>3,593,108</u></u>	<u><u>1,062,120</u></u>

The notes on pages 9 to 18 form part of these financial statements.

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. REPORTING ENTITY

People Service Centre Limited (the “company”) is a company incorporated in Hong Kong and is limited by guarantee. The company’s registered office is located at Room 206 and 208, Podium Floor, Block 19, Shek Kip Mei Estate, Kowloon, Hong Kong. The principal activity of the company is providing non-profit making social welfare services to the old, weal, poor and needy persons.

The financial statements are presented in Hong Kong dollars, which is also the functional currency of the company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the HKFRS for PE issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

a) Revenue recognition

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the company and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable on the following bases:-

Grants

Grants are recognised as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the company will comply with the conditions attaching of them and the grants will be received. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity, with no future related costs, is recognised as income of the period in which it becomes receivable. Grants received before the revenue recognition criteria are recognised as a liability.

Income from fund raising

Income from fund raising is recognised when the fund raising events have taken place;

Donation

Donation is recognised when received;

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

b) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following useful lives are used for the depreciation of property, plant and equipment:-

Leasehold land and building	2%
Office equipment and machinery	25%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

c) Subsidiary

Subsidiary is those company, including unincorporated company such as partnership, controlled by the company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from the activities. In the company's statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment loss. The results of the subsidiary are accounted for by the company on the basis of dividends received and receivable.

d) Impairment of assets

At each reporting date, property, plant and equipment and investments in subsidiaries are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

f) Trade and other receivables

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

g) Employee benefit obligations

Salaries, annual bonuses, paid annual leave and other leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are measured at their present values. The company operates a number of defined contribution plans under mandatory provident fund plans. The company pays contributions to independent administrators on a mandatory basis. The company has no further payment obligations once the contributions are paid. The contributions are recognised as employee benefit expense when they are incurred and the cost can be measured reliably.

h) Related parties

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

- (i) A person or a close member of that person's family is related to the company if that person:-
- is a member of the key management personnel of the company or of a parent of the company;
 - has control over the company; or
 - has joint control or significant influence over the reporting entity or has significant voting power in it.
- (ii) An entity is related to the company if any of the following conditions applies:-
- the entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - both entities are joint ventures of a third entity.
 - either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - the entity has a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the reporting entity has itself such a plan, the sponsoring employers are also related to the plan.
 - the entity is controlled or jointly controlled by a person identified in (i).
 - a person identified in first item of (i) has significant voting power in the entity.

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the financial year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Depreciation of property, plant and equipment

The depreciation method and rates of the property, plant and equipment are based on the management's best estimate to their expected residual value, useful lives, consumption pattern, wear-and-tear and potential technical obsolescence to usage of the assets. Management uses all readily available information in determining all of the above factors. Any change in these factors may have a significant impact on the carrying amounts of the property, plant and equipment and profit or loss.

4. PROJECTS INCOME

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Food Friend Action - Sham Shui Po Project	1,980,336	-
Food Friend Action - Wong Tai Sin Project	2,003,214	-
Food Friend Action - Yau Tsim Mong Project	850,472	997,613
Food Friend Action - Kowloon City Project	548,374	853,814
Food Friend Action - Tuen Mun Project	1,017,300	1,024,302
Food Friend Action - Sham Shui Po Very Green Project	-	472,264
Food Friend Action - Public Education Project	427,850	377,083
Community Food Inter-Net Wong Tai Sin Project	940,950	906,149
The Hong Kong Jockey Club Charities Trust (COVID-19 Emergency Fund)	444,344	-
Adplssc - Social Enterprise	-	105,000
Hoi Lai Children Development Centre	257,760	91,200
Life Education Program	167,012	289,515
Parents' Mutual Help Child Care Centre	43,265	49,695
Community Programs	349,379	239,372
	<u>9,030,256</u>	<u>5,406,007</u>

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. INCOME FROM FUND RAISING ACTIVITIES AND DONATION INCOME

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Flag selling day	-	755,767
Fund raising programs	223,170	404,812
Donation income	<u>1,409,218</u>	<u>362,498</u>
	<u><u>1,632,388</u></u>	<u><u>1,523,077</u></u>

6. OTHER INCOME

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Bank interest income	41	173
Rental income	180,000	30,000
Sundry income	<u>73,224</u>	<u>44,905</u>
	<u><u>253,265</u></u>	<u><u>75,078</u></u>

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

7. PROJECTS EXPENSES

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Food Friend Action - Sham Shui Po Project	1,980,336	-
Food Friend Action - Wong Tai Sin Project	2,003,214	-
Food Friend Action - Yau Tsim Mong Project	850,472	997,613
Food Friend Action - Kowloon City Project	532,487	853,814
Food Friend Action - Tuen Mun Project	1,017,300	1,024,302
Food Friend Action - Sham Shui Po Very Green Project	-	472,264
Food Friend Action - Public Education Project	439,101	372,083
Community Food Inter-Net Wong Tai Sin Project	940,950	906,149
The Hong Kong Jockey Club Charities Trust (COVID-19 Emergency Fund)	444,345	-
Adplssc - Social Enterprise	-	4,452
Hoi Lai Children Development Centre	302,071	350,845
Life Education Program	238,091	443,898
Parents' Mutual Help Child Care Centre	127,722	176,140
Community Programs	<u>380,660</u>	<u>200,161</u>
	<u>9,256,749</u>	<u>5,801,721</u>

8. FUND RAISING ACTIVITIES EXPENSES

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Flag selling day	-	24,698
Fund raising programs	<u>105,938</u>	<u>146,832</u>
	<u>105,938</u>	<u>171,530</u>

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

9. GENERAL EXPENSES

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Accounting fee	7,850	1,250
Advertising and promotion	20,753	35,149
Audit fee	28,000	31,500
Bank charges	2,405	4,240
Company secretarial fee	1,505	1,155
Cleaning expenses	-	2,958
Depreciation	66,400	60,710
Electricity and water	12,853	24,351
Insurance	33,910	1,045
Local travelling	234	597
Membership fee	4,980	4,980
MPF contribution	15,900	10,126
Office supplies	48,824	4,760
Printing and stationery	4,952	4,079
Postage and courier	243	321
Rates	1,290	58,930
Repair and maintenance	8,900	2,000
Salary	287,216	182,551
Staff welfare	18,120	19,300
Telecommunication	2,169	1,928
Transportation	-	671
Sundry expenses	2,793	-
	<u>569,297</u>	<u>452,601</u>

10. OTHER EXPENSES

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Impairment loss on investments in subsidiaries	<u>2,437,094</u>	<u>925,031</u>

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. DIRECTORS' REMUNERATION

Remuneration of the directors of the company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:-

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Fee	-	-
Retirement benefit	-	-
Other emoluments	-	-
	<u> </u>	<u> </u>

12. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided as the company is entitled for exemption from tax under Section 88 of the Inland Revenue Ordinance.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building	Office equipment and machinery	Total
	HK\$	HK\$	HK\$
At cost			
Balance at 1 October 2019	2,443,900	96,376	2,540,276
Additions	-	22,757	22,757
	<u> </u>	<u> </u>	<u> </u>
Balance at 30 September 2020	<u>2,443,900</u>	<u>119,133</u>	<u>2,563,033</u>
Accumulated depreciation			
Balance at 1 October 2019	439,902	74,731	514,633
Charge for the year	48,878	17,522	66,400
	<u> </u>	<u> </u>	<u> </u>
Balance at 30 September 2020	<u>488,780</u>	<u>92,253</u>	<u>581,033</u>
Net carrying amount			
Balance at 30 September 2020	<u>1,955,120</u>	<u>26,880</u>	<u>1,982,000</u>
Balance at 30 September 2019	<u>2,003,998</u>	<u>21,645</u>	<u>2,025,643</u>

Leasehold land and building is situated in Hong Kong under medium-term lease.

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. INVESTMENTS IN SUBSIDIARIES

	<u>2020</u> HK\$	<u>2019</u> HK\$
Unlisted shares, at cost	106	106
Impairment loss	<u>(106)</u>	<u>(6)</u>
	<u>-</u>	<u>100</u>

The particulars of the subsidiaries are listed as below:

<u>Name of subsidiary</u>	<u>Place of incorporation</u>	<u>Fully paid up capital</u>	<u>Proportion of ownership interest</u>	<u>Principal activities</u>
ADPL Social Enterprise Ltd	Hong Kong	HK\$100	100%	Organize tours, provide food and beverage for social
ADPL Sam Hong Workers Mutual Aid Engineering Limited	Hong Kong	HK\$6	100%	Short term building contracts for Sam Hong workers

Investments in subsidiaries are held directly by the company.

ADPL Social Enterprise Limited and ADPL Sam Hong Workers Mutual Aid Engineering Limited were dissolved on 24 January 2020 and 19 March 2021, respectively.

As the subsidiaries are collectively immaterial to the company and the company is not required to prepare consolidated financial statements in accordance with section 381(3)(b) of Hong Kong Companies Ordinance (Cap. 622).

PEOPLE SERVICE CENTRE LIMITED
民社服務中心有限公司
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. DUE FROM A SUBSIDIARY

The amount due from a subsidiary is unsecured, interest free and has no fixed term of repayment.

16. CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Cash and bank balances	<u>3,593,108</u>	<u>1,062,120</u>

17. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a Mandatory Provident Fund Scheme (the MPF scheme) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

18. COMMITMENTS UNDER OPERATING LEASES

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Operating lease payment on property	<u>495,103</u>	<u>556,673</u>

The company had the following total future minimum lease payments under non-cancellable operating leases:-

	<u>2020</u>	<u>2019</u>
	HK\$	HK\$
Within one year	721,394	492,768
In the second to fifth years inclusive	244,797	394,302
Over five years	<u>-</u>	<u>-</u>
	<u>966,191</u>	<u>887,070</u>

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.