

**Report of the Directors**

**Audited Financial Statements**

**PEOPLE SERVICE CENTRE LIMITED**

**民社服務中心有限公司**

**30 September 2017**

PEOPLE SERVICE CENTRE LIMITED

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## PEOPLE SERVICE CENTRE LIMITED

### DIRECTORS' REPORT

The directors present their report and the audited consolidated financial statements of the Centre and its subsidiaries (the "Group") for the year ended 30 September 2017.

#### Principal activities

During the year, the principal activities of the Group are to provide non-profit making social welfare services to the old, weak, poor and needy people.

#### Results

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 5 to 8.

#### Directors

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

Fung Kin Kee, Frederick

Leung Kam Tao

Tam Kwok Kiu

Lee Yiu Kwan

Tang Wai Chung

Fung Ping Chuen

Fung Kwok Kin

Ng Hang Sau

Hui Kam Shing

Sze Tak Loy

Ng Mei Carman

(Appointed on May 22, 2017)

There being no provision in the articles of association to the contrary, all directors shall continue to hold office for the ensuing year.

#### Directors' interests

At no time during the year was the Centre or its subsidiaries a party to any arrangement to enable the Company's directors to acquire benefits by means of acquisition of shares in or debentures of the Centre, its subsidiaries or any other body corporate.

PEOPLE SERVICE CENTRE LIMITED

REPORT OF THE DIRECTORS (Continued)

Directors' interests in contracts

No director had a significant beneficial interest in any contract of significance to the business of the Centre or its subsidiaries to which the Centre or its subsidiaries was a party during the year.

Auditors

The Company's auditors, Clodick & Company, Certified Public Accountants, who retire and, being eligible, offer themselves for re-appointment.

ON BEHALF OF THE BOARD



Mr. Fung Kin Kee Frederick  
CHAIRMAN, Hong Kong  
April 25, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of  
PEOPLE SERVICE CENTRE LIMITED  
(Incorporated in Hong Kong and limited by guarantee)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the consolidated financial statements of People Service Centre Limited ("the Company") and its subsidiary (Collectively referred to as the "Group") set out on pages 5 to 23, which comprise the consolidated statement of comprehensive income, statements of changes in equity and consolidated statements of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at September 30, 2017, and of its consolidated financial performance and its consolidated 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 ("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 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 Entity 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 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 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. 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.

CLODICK & COMPANY

Certified Public Accountants (Practising) 高迪會計師行  
Rooms 1006, 299QRC, Tel.: 2850 7918  
299 Queen's Road, Central, Hong Kong Fax.: 2850 4120

香港上環皇后大道中 299號 299QRC 1006室

INDEPENDENT AUDITOR'S REPORT - *Continued*

To the members of  
PEOPLE SERVICE CENTRE LIMITED  
(Incorporated in Hong Kong and limited by guarantee)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

**Other Matters which we are required to address**

This report is made solely to the members of the Company, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



**Clodick & Company**  
*Certified Public Accountants*  
Hong Kong, April 25, 2018

## PEOPLE SERVICE CENTRE LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2017

	Notes	2017 HK\$	2016 HK\$
Projects income			
Adplssc - Social Enterprise		420,000	420,000
Caring the Elderly – Fund Raising Coupon 2015		-	84,915
Charity Cantonese Opera		-	-
Caring the Elderly – Fund Raising Coupon 2016		267,435	-
Charity Cantonese Opera 2016		260,207	-
Delightful School Life Support Programme		179,750	-
Designated Fund for Community Development		632,386	330,000
Enhance Citizen Participation Project		-	89,000
Enhancing Development through Caring and Mentorship		-	223,960
Experiential Programme (FFA) 2015		-	14,060
Experiential Programme (FFA) 2016		26,810	19,190
Experiential Programme (FFA) 2017		25,890	-
Flag Selling Day 20022016		-	438,978
Food Donation Advocacy and Public Education Project		-	378,336
Food Friend Action - Kowloon City Project		-	256,448
Food Friend Action Kowloon City Project (FCF)		831,899	205,285
Food Friend Action Sham Shui Po Project WRP291		-	388,461
Food Friend Action Sham Shui Po Project WRP422		844,135	322,820
Food Friend Action - Tuen Mun Project WRP445		542,909	-
Food Friend Action - Wong Tai Sin Project		-	-
Food Friend Action - Wong Tai Sin Project WRP423		1,023,997	359,420
Food Friend Action - Yau Tsim Mong Project		39,671	1,554,360
Food Friend Action - Public Education Project		309,652	-
Food Waste Recycling Campaign		-	96,239
Fund Raising for "Caring for the Deprived" Project (Marathon Race)		80,040	88,980
Happy Families in the Community		4,000	-
Hoi Lai Children Development Centre		105,050	103,497
Life Education Program		95,240	158,820
Parents' Mutual Help Child Care Centre		48,812	65,657
Promotion of Building Rehabilitation Scheme Cheung Sha Wan area		369,600	374,400
Promotion of Building Rehabilitation Scheme Hung Hom Area		-	258,400
Promotion of Building Rehabilitation Scheme Ma Tau Kok Area		-	280,800
Reading Second Hand Books Scheme		19,303	59,592
Shamshuipo Caring for Living Alone Elderly Volunteer Project		-	100,000
Sham Shui Po Community Elderly Volunteer Network Development Programme		48,979	-
Sham Shui Po Elderly Life Education Programme		14,301	-
Tuen Mun Food Share Project		194,485	126,311
Wong Tai Sin Food Share project		-	648,998
Women Talent Show		390	-
		<u>6,384,941</u>	<u>7,446,927</u>

PEOPLE SERVICE CENTRE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2017 (Continued)

	Notes	2017 HK\$	2016 HK\$
Sundry income			
Bank Interest		43	45
Food and Beverage		1,508,790	2,672,867
Cleaning and Recycle Income		-	673,372
Contract Work Income		-	95,256
Donation Income		460,657	373,807
Miscellaneous Income		24,500	15,800
Gain on disposal of fixed assets		-	125,102
Tour Income		63,580	94,094
		<u>2,057,570</u>	<u>4,050,343</u>
Total income		8,442,511	11,497,270
Projects expenditure		6,729,780	6,719,531
General expenditure		2,563,675	5,226,117
Total expenditure		<u>9,293,455</u>	<u>11,945,648</u>
(Deficit) before taxation		(850,944)	(448,378)
Taxation	3	-	-
(Deficit) after taxation		<u>(850,944)</u>	<u>(448,378)</u>



## PEOPLE SERVICE CENTRE LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2017 (continued)

	Notes	2017 HK\$	2016 HK\$
Projects expenditure			
Adplssc - Social Enterprise		7,402	30,676
Caring for the Deprived Families		180	2,580
Caring the Elderly – Fund Raising Coupon 2014		-	-
Caring the Elderly – Fund Raising Coupon 2015		-	45,955
Caring the Elderly – Fund Raising Coupon 2016		150,664	300
Caring the Elderly – Fund Raising Coupon 2017		300	-
Charity Cantonese Opera 2016		234,969	-
Community Food Inter-Net		632,386	-
Delighted School Life Support Programme		147,427	-
Designated Fund for Community Development		23,715	680,407
Enhance Development through Caring and Mentorship		-	228,715
Enhancing Citizen Participation Project		-	84,893
Flag Selling Day 20022016		-	27,085
Food Donation Advocacy and Public Education Project		-	348,030
Food Friend Action - Kowloon City Project		-	450,875
Food Friend Action - Kowloon City Project (FCF)		831,899	221,171
Food Friend Action Sham Shui Po Project WRP291		-	430,769
Food Friend Action Sham Shui Po Project WRP422		844,135	208,128
Food Friend Action - Tuen Mun Project WRP445		542,909	-
Food Friend Action - Wong Tai Sin Project WRP423		1,023,997	271,519
Food Friend Action - Yau Tsim Mong Project		987,006	744,665
Food Friend Action - Public Education Project		334,652	-
Food Waste Recycling Campaign		-	88,799
Funds Raising for "Caring for the Deprived" Project (Marathon Race)		4,899	5,750
Happy Families in the Community		4,000	-
Hoi Lai Children Development Centre		226,220	123,754
Keep Clean 2015@ Hong Kong		-	3,452
Life Education Program		205,625	494,919
Parents' Mutual Help Child Care Centre		141,896	155,439
Promotion of Building Rehabilitation Scheme Cheung Sha Wan Area		109,241	273,779
Promotion of Building Rehabilitation Scheme Hung Hom Area		-	105,607
Promotion of Building Rehabilitation Scheme Ma Tau Kok Area		-	111,553
Reading Second Hand Book Scheme		18,103	67,593
Shamshuipo Caring for Living Alone elderly Volunteer Project		-	100,127
Sham Shui Po Community Elderly Volunteer network Development Programme		48,979	-
Sham Shui Po Elderly Life Education Programme		14,301	-
Tuen Mun Food Share Project		194,485	617,789
Wong Tai Sin Food Share Project		-	795,202
Woman Talent Show		390	-
		<u>6,729,780</u>	<u>6,719,531</u>

PEOPLE SERVICE CENTRE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2017 (continued)

	Notes	2017 HK\$	2016 HK\$
General expenditure			
Administration fee		30,000	30,000
Auditors' remuneration and accounting fee		49,400	91,140
Advertising and promotion		4,472	29,423
Bad Debts		-	79,500
Bank Charges		4,072	3,216
BR and licence Fee		3,749	7,320
Company secretarial fee		6,385	-
Cleaning		14,355	6,699
Consumable Tools		26,354	73,796
Depreciation		56,361	163,519
Electricity and water		124,556	190,426
Entertainment		10,094	3,101
Insurance		(2,751)	29,319
Leasehold improvement written off		-	66,250
Legal & Professional Fee		-	29,300
Local Travel		2,932	22,223
Membership Fee		4,400	200
Motor Vehicle Expenses		-	43,550
MPF		60,266	122,136
Office Supplies		6,791	21,791
Printing & Stationery		8,404	14,912
Postage and courier		330	1,418
Rent & Rates & Building management fee		702,102	1,293,633
Repairs and maintenance		22,347	4,426
Salary		1,374,615	2,793,160
Staff Recruitment		-	-
Staff Welfare		36,098	37,400
Stamp Duty Fee		-	422
Sundry Expenses		210	30,324
Telecommunication		11,622	34,763
Transportation		5,891	1,734
Uniform		620	1,016
		<u>2,563,675</u>	<u>5,226,117</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

PEOPLE SERVICE CENTRE LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

30 September 2017

	Notes	2017 HK\$	2016 HK\$
<b>Non Current Assets</b>	4	<u>2,118,332</u>	<u>2,385,213</u>
<b>Current Assets</b>			
Bank and Cash		1,768,916	3,375,994
Accounts Receivable		193,951	169,410
Rental, Utility and Sundry deposits		96,340	293,680
Other receivables and prepayment		520,416	17,000
		2,579,623	3,856,084
<b>Current Liabilities</b>			
Amount due to a related party	5	1,267,434	1,267,434
Advance Receipt		971,461	1,508,255
Accrual		145,251	300,855
		<u>2,384,146</u>	<u>3,076,544</u>
<b>Net Current Assets</b>		<u>195,477</u>	<u>779,540</u>
<b>Total Assets less Current liabilities</b>		<u>2,313,809</u>	<u>3,164,753</u>
<b>Representing</b>			
Surplus brought forward		3,164,753	3,613,131
(Deficit) for the year		<u>(850,944)</u>	<u>(448,378)</u>
Surplus carried forward		<u>2,313,809</u>	<u>3,164,753</u>

The financial statements on pages 5 to 23 were approved and authorised for issue by the Board of Directors on April 25, 2018 and are signed on its behalf by:



Mr. Fung Kin Kee Frederick, Director



Mr. Tam Kwok Kiu, Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

PEOPLE SERVICE CENTRE LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 30 September 2017

	Accumulated Surplus/(Deficit)
At 1 October 2015	3,613,131
Net (deficit) for the year	(448,378)
	<hr/>
At 30 September 2016 and 1 October 2016	3,164,753
Net (deficit) for the year	(850,944)
	<hr/>
At 30 September 2017	2,313,809
	<hr/> <hr/>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

PEOPLE SERVICE CENTRE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 September 2017

	2017 HK\$	2016 HK\$
Operating Activities		
(Deficit) before Taxation	(850,944)	(448,378)
Bank interest income	(43)	(45)
Depreciation	56,361	163,519
Assets written off	-	66,250
Assets disposal	-	(125,102)
	<u>                    </u>	<u>                    </u>
Operating (Deficit) before Changes in Working Capital	(794,626)	(343,756)
(Increase)/Decrease in Accounts Receivable	(24,541)	206,412
(Increase) in WIP	-	66,137
(Increase)/Decrease in Rental, Utility and Sundry Deposits	197,340	(13,768)
(Increase)/Decrease in Other receivables and prepayment	(503,416)	103,136
(Decrease) in Accounts Payable	-	(17,673)
(Decrease) in Deposit Received	-	(150,850)
Increase/(Decrease) in Advance Receipt	(536,794)	1,508,255
Increase/(Decrease) in Accrual	(155,604)	102,675
	<u>                    </u>	<u>                    </u>
Net Cash from/(used in) Operating Activities	(1,817,641)	1,460,568
Investing Activities		
Bank interest income	43	45
Purchase of Fixed Assets	(20,579)	-
Sales proceeds of fixed assets	231,099	151,500
	<u>                    </u>	<u>                    </u>
Net Cash from Investing Activities	(1,607,078)	1,612,113
Increase in Cash and Cash Equivalents	(1,607,078)	1,612,113
Cash and Cash Equivalents at beginning of the year	3,375,994	1,763,881
	<u>                    </u>	<u>                    </u>
Cash and Cash Equivalents at end of the year	<u>1,768,916</u>	<u>3,375,994</u>
Analysis of the Balance of Cash and Cash Equivalents		
Cash and Bank Balance	<u>1,768,916</u>	<u>3,375,994</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

PEOPLE SERVICE CENTRE LIMITED

STATEMENTS OF FINANCIAL POSITION

30 September 2017

	Notes	2017 HK\$	2016 HK\$
Non Current Assets		2,118,331	2,154,113
Investment in Subsidiaries	6	106	106
		2,118,437	2,154,219
<b>Current Assets</b>			
Bank and Cash		1,338,106	2,845,246
Accounts Receivable		185,955	149,912
Amount due from subsidiaries	8	2,749,082	2,757,242
Rental, Utility and Misc. deposit		84,640	118,880
Other receivables and prepayment		520,416	9,000
		4,878,199	5,880,280
<b>Current Liabilities</b>			
Amount due to a related party	5	387,434	387,434
Advance receipt		971,461	1,508,255
Accrual		87,051	38,905
		1,445,946	1,934,594
<b>Net Current Assets</b>		3,432,253	3,945,686
<b>Total Assets less Current liabilities</b>		5,550,690	6,099,905
<b>Representing</b>			
Surplus brought forward		6,099,905	5,696,300
Surplus/(Deficit) for the year		(549,215)	403,605
Surplus carried forward		5,550,690	6,099,905

The financial statements on pages 5 to 23 were approved and authorised for issue by the Board of Directors on April 25, 2017 and are signed on its behalf by:



Mr. Fung Kin Kee Frederick, Director



Mr. Tam Kwok Kiu, Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

PEOPLE SERVICE CENTRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2017

	Notes	2017 HK\$	2016 HK\$
Projects income			
Adplssc - Social Enterprise		420,000	420,000
Caring the Elderly – Fund Raising Coupon 2015		-	84,915
Caring the Elderly – Fund Raising Coupon 2016		267,435	-
Charity Cantonese Opera 2016		260,207	-
Delightful School Life Support Programme		179,750	-
Designated Fund for Community Development		632,386	330,000
Enhance Citizen Participation Project		-	89,000
Enhancing Development through Caring and Mentorship		-	223,960
Experiential Programme (FFA) 2015		-	14,060
Experiential Programme (FFA) 2016		26,810	19,190
Experiential Programme (FFA) 2017		25,890	-
Flag Selling Day 20022016		-	438,978
Food Donation Advocacy and Public Education Project		-	378,336
Food Friend Action - Kowloon City Project		-	256,448
Food Friend Action Kowloon City Project (FCF)		831,899	205,285
Food Friend Action Sham Shui Po Project WRP291		-	388,461
Food Friend Action Sham Shui Po Project WRP422		844,135	322,820
Food Friend Action - Tuen Mun Project WRP445		542,909	-
Food Friend Action - Wong Tai Sin Project WRP423		1,023,997	359,420
Food Friend Action - Yau Tsim Mong Project		39,671	1,554,360
Food Friend Action - Public Education Project		309,652	-
Food Waste Recycling Campaign		-	96,239
Fund Raising for "Caring for the Deprived" Project (Marathon Race)		80,040	88,980
Happy Families in the Community		4,000	-
Hoi Lai Children Development Centre		105,050	103,497
Life Education Program		95,240	158,820
Parents' Mutual Help Child Care Centre		48,812	65,657
Promotion of Building Rehabilitation Scheme Cheung Sha Wan area		369,600	374,400
Promotion of Building Rehabilitation Scheme Hung Hom Area		-	258,400
Promotion of Building Rehabilitation Scheme Ma Tau Kok Area		-	280,800
Reading Second Hand Books Scheme		19,303	59,592
Shamshuipo Caring for Living Alone Elderly Volunteer Project		-	100,000
Sham Shui Po Community Elderly Volunteer Network Development Programme		48,979	-
Sham Shui Po Elderly Life Education Programme		14,301	-
Tuen Mun Food Share Project		194,485	126,311
Wong Tai Sin Food Share Project		-	648,998
Women Talent Show		390	-
		<u>6,384,941</u>	<u>7,446,927</u>

PEOPLE SERVICE CENTRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2017 (Continued)

	Notes	2017 HK\$	2016 HK\$
Sundry income			
Bank Interest		35	43
Donation Income		460,657	373,807
Miscellaneous Income		24,500	15,800
		<u>485,192</u>	<u>389,650</u>
Total income		6,870,133	7,836,577
Projects expenditure		6,729,780	6,719,531
General expenditure		689,568	713,441
Total expenditure		<u>7,419,348</u>	<u>7,432,972</u>
Surplus/(Deficit) before taxation		(549,215)	403,605
Taxation		-	-
Surplus/(Deficit) after taxation		<u>(549,215)</u>	<u>403,605</u>



PEOPLE SERVICE CENTRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2017 (continued)

	Notes	2017 HK\$	2016 HK\$
Projects expenditure			
Adplssc - Social Enterprise		7,402	30,676
Caring for the Deprived Families		180	2,580
Caring the Elderly – Fund Raising Coupon 2015		-	45,955
Caring the Elderly – Fund Raising Coupon 2016		150,664	300
Caring the Elderly – Fund Raising Coupon 2017		300	-
Charity Cantonese Opera 2016		234,969	-
Community Food Inter-Net		632,386	-
Delighted School Life Support Programme		147,427	-
Designated Fund for Community Development		23,715	680,407
Enhance Development through Caring and Mentorship		-	228,715
Enhancing Citizen Participation Project		-	84,893
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Food Donation Advocacy and Public Education Project		-	348,030
Food Friend Action - Kowloon City Project		-	450,875
Food Friend Action - Kowloon City Project (FCF)		831,899	221,171
Food Friend Action Sham Shui Po Project WRP291		-	430,769
Food Friend Action Sham Shui Po Project WRP422		844,135	208,128
Food Friend Action - Tuen Mun Project WRP445		542,909	-
Food Friend Action - Wong Tai Sin Project WRP423		1,023,997	271,519
Food Friend Action - Yau Tsim Mong Project		987,006	744,665
Food Friend Action - Public Education Project		334,652	-
Food Waste Recycling Campaign		-	88,799
Funds Raising for "Caring for the Deprived" Project (Marathon Race)		4,899	5,750
Happy Families in the Community		4,000	-
Hoi Lai Children Development Centre		226,220	123,754
Keep Clean 2015@ Hong Kong		-	3,452
Life Education Program		205,625	494,919
Parents' Mutual Help Child Care Centre		141,896	155,439
Promotion of Building Rehabilitation Scheme Cheung Sha Wan Area		109,241	273,779
Promotion of Building Rehabilitation Scheme Hung Hom Area		-	105,607
Promotion of Building Rehabilitation Scheme Ma Tau Kok Area		-	111,553
Reading Second Hand Book Scheme		18,103	67,593
Shamshuipo Caring for Living Alone elderly Volunteer Project		-	100,127
Sham Shui Po Community Elderly Volunteer network Development Programme		48,979	-
Sham Shui Po Elderly Life Education Programme		14,301	-
Tuen Mun Food Share Project		194,485	617,789
Wong Tai Sin Food Share Project		-	795,202
Woman Talent Show		390	-
		6,729,780	6,719,531

PEOPLE SERVICE CENTRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2017 (continued)

	2017 HK\$	2016 HK\$
General expenditure		
Advertising and promotion	3,872	27,323
Auditors' remuneration and accounting fee	24,500	26,800
Bank Charges	2,300	1,690
Company secretarial fee	2,085	1,085
Cleaning	7,117	6,699
Depreciation	56,361	51,216
Electricity and water	22,977	10,751
Entertainment	10,094	
Insurance	1,491	920
Local travel	2,932	1,163
Membership and licence fee	4,400	200
MPF	13,723	18,915
Office Supplies	5,117	3,677
Printing & Stationery	4,135	3,504
Postage and courier	160	453
Rent & Rates & building management fee	222,616	208,193
Repairs and maintenance	21,050	-
Salary	255,682	323,394
Staff Welfare	18,745	15,323
Stamp Duty Fee	-	422
Telecommunication	4,516	10,979
Transportation	5,695	734
	689,568	713,441

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

PEOPLE SERVICE CENTRE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

30 September 2017

CORPORATE INFORMATION

People Service Centre Limited (the “Centre”) is a non-profit making company incorporated in Hong Kong with limited by guarantee and not having a share capital. The Centre’s registered office is located at Room 206 and 208, Podium Floor, Block 19, Shek Kip Mei Estate, Kowloon, Hong Kong. The principal activities of the Centre are to provide non-profit making social welfare services to the old, weak, poor and needy people.

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. They have been prepared under the historical cost convention.

The consolidated financial statements for the year ended 30 September 2017 comprise the Company and its subsidiary (together referred to as the “Group”). The preparation of the consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The HKICPA has issued certain new and revised HKFRS’s that are first effective or available for early adoption for the current accounting year of the Centre. There have been no significant changes to accounting policies applied in these financial statements as a result of these developments. The Centre has not adopted any new standard or interpretation that is not yet effective for the current financial year.

2. PRINCIPAL ACCOUNTING POLICIES

Consolidation

The consolidated financial statements include the financial statements of the Centre and all its subsidiaries made up to 30 September 2017.

PEOPLE SERVICE CENTRE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

30 September 2017

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and any impairment losses. The cost of asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the income and expenditure account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalized as an additional cost of that asset.

PEOPLE SERVICE CENTRE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

30 September 2017

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Fixed assets and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows :

Leasehold Land and building	4.0%
Motor Vehicles	12.5%
Decoration	20.0%
Project Furniture and equipment	20.0%
Office equipment and machinery	25.0%

Impairment of assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization), had no impairment loss been recognized for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises.

PEOPLE SERVICE CENTRE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

30 September 2017

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition

- i) Income from fund raising is recognised when the fund raising events have taken place.
- ii) Donations are recognised when received.

Employees' benefits

- i) Employees' 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 balance sheet date. Revenue represents income from fund raising events and donations.
- ii) Pension obligations  
Contributions made to the Mandatory Provident Fund scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to the income and expenditure account as incurred.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdraft which are repayable on demand.

Related parties

A party is considered to be related to the Centre, if:

- (i) the party, directly or indirectly through one or more intermediaries, (1) controls, is controlled by, or is under common control with, the Centre; (2) has an interest in the Centre that gives it significant influence over the Centre; or (3) has joint control over the Centre;
- (ii) the party is an associate;
- (iii) the party is a jointly-controlled entity;
- (iv) the party is a member of the key management personnel of the Centre or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) to (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of the employees of the Centre or of any entity that is a related party of the Centre.

PEOPLE SERVICE CENTRE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

30 September 2017

3. TAXATION

No provision for Hong Kong profits tax has been made as the Centre is entitled to exemption from tax under Section 88 of the Inland Revenue Ordinance.

4. FIXED ASSETS (Group and company)

	Leasehold Land and building HK\$	Office Equipment and machinery HK\$	Motor Vehicle HK\$	Decoration HK\$	Project Furniture & Equipment HK\$	Total HK\$
Cost :						
As at 1 October 2016	2,443,900	101,916	-	703,548	105,011	3,354,375
Additions	-	20,579	-	-	-	20,579
Sales Proceeds	-	(52,869)	-	(703,548)	(105,011)	(861,430)
As at 30 September 2017	2,443,900	69,626	-	-	-	2,513,524
Accumulated depreciation:						
As at 1 October 2016	293,268	98,434	-	527,881	49,581	969,162
Charge for the year	48,878	7,483	-	-	-	56,361
Sales Proceeds	-	(52,869)	-	(527,881)	(49,581)	(630,331)
Asset written off	-	-	-	-	-	-
As at 30 September 2017	342,146	53,048	-	-	-	395,192
Net book value :						
As at 30 September 2017	2,101,754	16,578	-	-	-	2,118,332
As at 30 September 2016	2,150,632	3,482	-	175,667	55,432	2,385,213

Note : Land and building was a property donated by Sham Shui Po Residents Livelihood Concern Group Limited.

5. AMOUNT DUE (TO) A RELATED COMPANY

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

PEOPLE SERVICE CENTRE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

30 September 2017

6. INTEREST IN SUBSIDIARIES

	2017 HK\$	2016 HK\$
Unlisted shares, at cost	106	106

Particulars of the subsidiaries at the balance sheet date were as follows:

<u>Company</u>	<u>Place of incorporation and operations</u>	<u>Nominal value of fully paid share capital</u>	<u>Percentage of equity attributable to the company</u>	<u>Principal activities</u>
ADPL Social Service Enterprise Limited	Hong Kong	HK\$100	100	Organize tours, provide food & beverage for social.
ADPL Sam Hong Mutual Workers Aid Engineering Limited	Hong Kong	HK\$6	100	Short term building contracts for Sam Hong workers

7. REMUNERATION OF THE DIRECTORS

No directors received any fees or other emoluments in respect of their services rendered to the Centre during the year.



PEOPLE SERVICE CENTRE LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO FINANCIAL STATEMENTS

30 September 2017

8. AMOUNT DUE FROM SUBSIDIARIES

<u>Name of subsidiary</u>	<u>Balance at 09/30/2016</u> HK\$	<u>Balance at 09/30/2017</u> HK\$	<u>Maximum balance Outstanding during the year</u> HK\$	<u>Terms</u>
ADPL Social Service Enterprise Limited	2,402,575	2,394,415	2,402,575	Unsecured, Interest free, no fixed repayment term
ADPL Sam Hong Mutua Workers Aid Engineering Limited	354,667	354,667	354,667	Unsecured, Interest free, no fixed repayment term
	<u>2,757,242</u>	<u>2,749,082</u>		

9. COMMITMENT UNDER OPERATING LEASE

At 30 September 2017, the Company had the following total minimum lease payments payable under non-cancellable operating leases regarding office premises :

	2017 HK\$	2016 HK\$
Within one year	477,840	724,140
After one and within two years	340,070	817,910
	<u>817,910</u>	<u>1,542,050</u>

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Management considered the Centre's exposures to risks of credit, liquidity; interest rate and foreign currency are minimal.

11. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on April 25, 2018.

