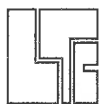


INTERNET LEARNING RESOURCE CENTRE LIMITED
(Limited by guarantee)

REPORT OF THE EXECUTIVE COMMITTEE
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



李 湯 陳 會 計 師 事 務 所
LI, TANG, CHEN & CO.
Certified Public Accountants (Practising)
Hong Kong

INTERNET LEARNING RESOURCE CENTRE LIMITED
(Limited by guarantee)

REPORT OF THE EXECUTIVE COMMITTEE

The executive committee submits to members its report and financial statements of Internet Learning Resource Centre Limited (the “Association”) for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Association are engaged in enabling primary and secondary students, especially from low-income families, to gain access to internet for learning through the acquisition of computers and internet access, and providing training on internet skills and learning collaboration.

FINANCIAL STATEMENTS

The financial performance of the Association for the year ended 31 March 2021 and the financial position of the Association at that date are set out in the financial statements on pages 6 to 19.

MEMBERS OF THE EXECUTIVE COMMITTEE

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

CHAN Bernard Charnwut
CHUA Hoi Wai
LIU Tat Yin, Kennedy

There being no provision in the Association's articles of Association regarding rotation of executive committee members, all executive committee members continue to hold office.

No contracts of significance to which the Association was a party and in which an executive committee member of the Association had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year.

PERMITTED INDEMNITY PROVISIONS

At no time during the year and up to the date of this report of the executive committee, there was or is, any permitted indemnity provision being in force for the benefit of any member of the executive committee of the Association (whether made by the Association or otherwise).

MANAGEMENT CONTRACTS

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

INTERNET LEARNING RESOURCE CENTRE LIMITED
(Limited by guarantee)

AUDITORS

The financial statements have been audited by Messrs. Li, Tang, Chen & Co., who retire but, being eligible, offer themselves for re-appointment.

On behalf of the executive committee



.....
CHAN Bernard Charnwut
Executive Committee Member

Hong Kong, 27 September 2021



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERNET LEARNING RESOURCE CENTRE LIMITED**
(incorporated in Hong Kong with liability limited by guarantee)

OPINION

We have audited the financial statements of Internet Learning Resource Centre Limited ("the Association") set out on pages 6 to 19, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and notes on the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The executive committee members are responsible for the other information. The other information comprises the information included in the report of the executive committee, 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.

to be cont'd/.....

RESPONSIBILITIES OF EXECUTIVE COMMITTEE MEMBERS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, the executive committee members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

to be cont'd/.....

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

- Conclude on the appropriateness of the executive committee members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Li Tang Chen & Co.

Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
17/F Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

27 September 2021

RCCM/JLCWB

INTERNET LEARNING RESOURCE CENTRE LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	HK\$	<u>2021</u> HK\$	<u>2020</u> HK\$
NON-CURRENT ASSETS				
Property, plant and equipment	10	-	-	-
CURRENT ASSETS				
Deposits		2,400		2,400
Cash and bank balances		<u>2,137,254</u>		<u>3,882,140</u>
		2,139,654		3,884,540
CURRENT LIABILITIES				
Accounts payables		36,394		31,834
Accrued expenses and other payables		248,274		236,673
Amount due to The Hong Kong Council of Social Service	11	-		1,007,800
Project fund not yet utilised		<u>741,410</u>		<u>1,416,947</u>
		1,026,078		2,693,254
NET CURRENT ASSETS			<u>1,113,576</u>	<u>1,191,286</u>
NET ASSETS			<u>1,113,576</u>	<u>1,191,286</u>
Representing:				
ACCUMULATED SURPLUS			<u>1,113,576</u>	<u>1,191,286</u>

The financial statements set out on pages 6 to 19 were approved and authorised for issue by the Executive Committee on 27 September 2021.



LIU Tat Yin, Kennedy
 Executive Committee Member



CHUA Hoi Wai
 Executive Committee Member

INTERNET LEARNING RESOURCE CENTRE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
REVENUES	7	-	2,744,838
OTHER INCOME	7	678,843	675,207
COST OF SERVICES		-	(244,838)
PROJECT INCOME			
– TRANSFERRED FROM PROJECT FUNDS NOT YET UTILISED		<u>-</u>	<u>804,548</u>
NET INCOME FOR THE YEAR		678,843	3,979,755
OPERATING AND ADMINISTRATIVE EXPENSES		<u>(756,553)</u>	<u>(4,134,006)</u>
DEFICIT AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	8	<u>(77,710)</u>	<u>(154,251)</u>

INTERNET LEARNING RESOURCE CENTRE LIMITED
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31 MARCH 2021

	<u>Accumulated surplus</u> HK\$
Balance at 1 April 2019	1,345,537
Deficit and total comprehensive expense for the year	<u>(154,251)</u>
Balance at 31 March 2020 and 1 April 2020	1,191,286
Deficit and total comprehensive expense for the year	<u>(77,710)</u>
Balance at 31 March 2021	<u><u>1,113,576</u></u>

INTERNET LEARNING RESOURCE CENTRE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	<u>2021</u> HK\$	<u>2020</u> HK\$
OPERATING ACTIVITIES		
Deficit for the year	(77,710)	(154,251)
Adjustments for:		
Depreciation	-	7,016
Interest income	(51)	(6,288)
Operating deficit before working capital changes	<u>(77,761)</u>	<u>(153,523)</u>
Decrease in accounts receivable	-	57,251
Decrease in grants receivable	-	3,695,505
Decrease in fees received in advance	-	(356,438)
Decrease in grants received in advance	-	(1,432,000)
Increase / (decrease) in accounts payable	4,560	(521,921)
Increase / (decrease) in accrued expenses and other payables	11,601	(142,432)
(Decrease) / increase in amount due to The Hong Kong Council of Social Service	(1,007,800)	7,800
Decrease in project funds not yet utilised	(675,537)	(438,175)
Cash (used in)/generated from operating activities	<u>(1,744,937)</u>	<u>716,067</u>
Interest received	51	6,288
Net cash (used in)/generated from operating activities	<u>(1,744,886)</u>	<u>722,355</u>
	-----	-----
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS / (DECREASE)	(1,744,886)	722,355
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,882,140</u>	<u>3,159,785</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>2,137,254</u>	<u>3,882,140</u>
	=====	=====
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>2,137,254</u>	<u>3,882,140</u>
	=====	=====

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Internet Learning Resource Centre Limited (the “Association”) was incorporated on 17 March 2011 under the Hong Kong Companies Ordinance as an Association limited by guarantee and not having a share capital. Each member of the Association has undertaken to contribute an amount not exceeding HK\$100 to the assets of the Association in the event of it being winding up.

The registered office of the Association is located at 13/F., Duke of Windsor Social Service Building, 15 Hennessy Road, Wanchai, Hong Kong.

The principal activities of the Association are engaged in enabling primary and secondary students, especially from low-income families, to gain access to internet for learning through the acquisition of computers and internet access, and providing training on internet skills and learning collaboration.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Association.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued certain new and revised HKFRSs that are first effective for the current accounting period of the Association.

The management considers that new and revised HKFRSs have no impact on the financial statements of the Association for the current and prior years.

The Association has not applied any new standard or amendment that is not yet effective for the current accounting period.

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2021 and which have not been adopted in these financial statements.

The Association is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association’s financial performance and position.

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation:

These financial statements have been prepared in accordance with HKFRSs (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention.

b) Payables:

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

c) Revenue recognition:

Revenue is recognised when the Association satisfies a performance obligation by transferring promised good or service to a customer obtains control over the good or service. When the performance obligation is satisfied, revenue is recognised at the amount of the transaction price that is allocated to that performance obligation. Further details of the Association revenue recognition is as follows:

- i) Government grants are recognised as income in the statement of comprehensive income on a receipts basis.
- ii) Profit on internet access service are recognised when services are rendered on a straight-line basis over the applicable fixed period.
- iii) Donation income is recognised upon receipt except for donation received for special projects which are credited to funds designated for specific purposes. Designated funds are released to the statement of comprehensive income when utilised.
- iv) Interest income is recognised on a time proportion basis taking into account the principal amounts outstanding and the effective interest rates applicable.

d) Government grants:

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to expense items are recognised in the same period as those expenses are charged in the statement of comprehensive income and are reported separately as income. Grants that compensate the Association for the cost of an asset are transferred from the grant and regarded as deferred income and credited to the statement of comprehensive income on a straight-line basis over the same periods in which the related assets are depreciated.

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Leased assets:

- i) Where the contract contains lease component(s) and non-lease component(s), the Association has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Association recognised a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Association are primarily laptops and office furniture. When the Association enters into a lease in respect of a low-value asset, the Association decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Association's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Association will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

The Association presents right-of-use assets that do not meet the definition of investment property in 'other property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Cash and cash equivalents:

For the purpose of the statement of cash flows, 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 overdrafts which are repayable on demand and form an integral part of the Association's cash management.

g) Related parties:

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

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

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

- i) the entity and the Association 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 Association or an entity related to the Association.
- vi) the entity is controlled or jointly controlled by a person identified in (a).

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 the group of which it is a part, provided key management services to the Association or to the parent of the Association.

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 entity.

h) Retirement benefits scheme:

The Association participates in the Mandatory Provident Fund retirement benefits scheme (“the MPF Scheme”). The Association’s contributions to the MPF Scheme are made based on a percentage of the employees’ relevant remuneration and are charged to the statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Association in an independently administered fund. The employer’s contributions vest fully with the employees when contributed into the MPF Scheme.

4. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

	At amortised cost	
	2021 HK\$	2020 HK\$
Deposits and other receivable	2,400	2,400
Cash and bank balances	2,137,254	3,882,140
	<u>2,139,654</u>	<u>3,884,540</u>

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial liabilities

	At amortised cost	
	2021 HK\$	2020 HK\$
Accounts payables	36,394	31,834
Accrued expenses and other payables	248,274	236,673
Amount due to The Hong Kong Council of Social Service	-	1,007,800
	<u>284,668</u>	<u>1,276,307</u>

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's principal financial instruments comprise grants receivable, accounts receivable, deposits and other receivable, cash and bank balances, accounts payables and accrued expenses and amount due to The Hong Kong Council of Social Service. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

The management manages and monitors these exposures to ensure appropriate measure are implemented on a timely and effective manner.

a) Liquidity risk

The Association's policy is to regularly monitor its liquidity requirements to ensure that the Association maintains sufficient reserves of cash to meet its liquidity requirements in the short and long-term.

The following table details the contractual maturities at the end of the reporting period of the Association's non-derivative financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Association can be required to pay:

	2021		
	Carrying amount HK\$	Total contractual undiscounted cash flow HK\$	Within 1 year or on demand HK\$
Accounts payables	36,394	36,394	36,394
Accrued expenses and other payable	<u>248,274</u>	<u>248,274</u>	<u>248,274</u>
	<u>284,668</u>	<u>284,668</u>	<u>284,668</u>
	2020		
	Carrying amount HK\$	Total contractual undiscounted cash flow HK\$	Within 1 year or on demand HK\$
Accounts payables	31,834	31,834	31,834
Accrued expenses	236,673	236,673	236,673
Amount due to The Hong Kong Council of Social Service	<u>1,007,800</u>	<u>1,007,800</u>	<u>1,007,800</u>
	<u>1,276,307</u>	<u>1,276,307</u>	<u>1,276,307</u>

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

b) Fair value estimation

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2021 and 31 March 2020.

c) Capital risk management

The Association's objectives when managing capital are to safeguard the Association's ability to continue as a going concern and to support the Association's stability and growth for the purpose of strengthening the Association's risk management capability. Capital comprises accumulated surplus.

6. GOVERNMENT GRANTS

On 23 May 2011, the Association entered into the Funding and Operation Agreement ("the former Agreement") for the Project with OGCIO in respect of assisting students from low-income families to undertake internet learning at home. The Government implements the Project in five years to help eligible families acquire suitable and affordable computers and internet access, and to provide training and technical support. The former Agreement was expired on 31 August 2016. On 20 September 2016, the Association entered into the Funding and Operation Agreement ("the new Agreement") for the Project with OGCIO in respect of assisting students from low-income families to undertake internet learning at home. The Government will continue the Project until 31 August 2018 to help eligible families acquire suitable and affordable computers and internet access, and to provide training and technical support.

On 11 April, 2018, the Association entered into the agreement of the Exit Plan for the Project with OGCIO in respect of completion of all exit activities prescribed in the Exit Plan. The Government shall make a total funding of HK\$6 million available to the Association to support the Exit Plan.

Pursuant to the former Agreement, the Government shall make available a total of HK\$100 million to the Association by five payments over five years in support of the Project. The amount of payment shall be determined by the Government with reference to the cash flow requirement on the Project with necessary adjustment.

Pursuant to the new Agreement, the total amount disbursed to the Association over the new Agreement period shall not be more than HK\$40 million. The amount of payment shall be determined by the Government with reference to the cash flow requirement on the Project with necessary adjustment.

Upon 31 March 2021, the aggregate amount received by the Association in respect of the Project was HK\$102,559,278 (2020: HK\$102,559,228). There will be no more grants receivable from the Government.

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

7. REVENUES AND OTHER INCOME

	<u>2021</u> HK\$	<u>2020</u> HK\$
Revenues		
Government grants from the Office of The Government Chief Information Officer (note 3d)	-	2,500,000
Internet access service income (net)	-	244,838
	<u>-</u>	<u>2,744,838</u>
	<u>2021</u> HK\$	<u>2020</u> HK\$
Other income		
Interest income	51	6,288
Sundry income	1,255	141,249
Receipts from various designated projects	677,537	486,280
Provision for long service payments written back	-	41,390
	<u>678,843</u>	<u>675,207</u>

8. DEFICIT FOR THE YEAR

Deficit for the year is arrived at after charging:

	<u>2021</u> HK\$	<u>2020</u> HK\$
Auditors' remuneration	6,000	38,000
Depreciation	-	7,016
Lease payments of rental on land and building	-	5,110
Staff costs		
- Salaries and allowances	-	2,028,632
- Mandatory provident fund contribution	-	98,627
		<u>2,127,259</u>
Written off of grants receivable	-	1,045,301

9. TAXATION

The Association is a charitable institution and is exempted from all Hong Kong taxes pursuant to Section 88 of the Inland Revenue Ordinance.

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT

	<u>Computer equipment</u> HK\$
At 31.3.2019	
Cost	21,049
Accumulated depreciation	<u>(14,033)</u>
Net book value	<u><u>7,016</u></u>
Year ended 31.3.2020	
Net book value at 1.4.2019	7,016
Depreciation for the year	<u>(7,016)</u>
Net book value at 31.3.2020	<u><u>-</u></u>
At 31.3.2020	
Cost	21,049
Accumulated depreciation	<u>(21,049)</u>
Net book value	<u><u>-</u></u>
Year ended 31.3.2021	
Net book value at 1.4.2020	-
Depreciation for the year	<u>-</u>
Net book value at 31.3.2021	<u><u>-</u></u>
At 31.3.2021	
Cost	21,049
Accumulated depreciation	<u>(21,049)</u>
Net book value	<u><u>-</u></u>

INTERNET LEARNING RESOURCE CENTRE LIMITED

NOTES ON THE FINANCIAL STATEMENTS

11. AMOUNT DUE TO THE HONG KONG COUNCIL OF SOCIAL SERVICE

This account represents non-interest bearing advance which is unsecured and repayable on demand repayment.

12. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

No members of the executive committee received any fees or other remuneration for serving as a member of the executive committee during the current and prior years.

13. RELATED PARTY TRANSACTIONS

The Association had the following material transactions with related parties during the year.

- a) The Association paid administration charges to its fellow subsidiary, HKCSS Social Enterprise Limited (Formerly known as Information Technology Resource Centre Limited), amounting to HK\$340,200 (2020: HK\$449,600).
- b) Expenditures included in various kinds of overheads and expenses, which of HK\$Nil (2020: HK\$116,550) were paid to The Hong Kong Council of Social Service, ultimate holding company of the Association and HKCSS Social Enterprise Limited (Formerly known as Information Technology Resource Centre Limited), a fellow subsidiary of the Association.
- c) Included in accrued expenses and other payables was an amount of HK\$Nil (2020: HK\$221,118) due to its fellow subsidiary company, HKCSS Social Enterprise Limited (Formerly known as Information Technology Resource Centre Limited).
- d) Balances with The Hong Kong Council of Social Service are described in note (11) on the financial statements.
- g) The Association's key management personnel only included executive committee members. Details of executive committee members remuneration are fully disclosed in note (12) on the financial statements.

15. ULTIMATE HOLDING COMPANY

The ultimate holding company of the Association is The Hong Kong Council of Social Service, a company incorporated in Hong Kong under the Hong Kong Council of Social Service Incorporation Ordinance.

