

EQUAL JUSTICE LIMITED
(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

EQUAL JUSTICE LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31 December 2022.

FINANCIAL STATEMENTS

The financial performance for the year is set out in the statement of income and general fund on pages 4 to 5.

The financial position of the company at 31 December 2022 is set out in the statement of financial position on page 6.

The cash flows of the company for the year ended 31 December 2022 are set out in the statement of cash flows on page 7.

PRINCIPAL ACTIVITIES

The principal activities of the company are for the relief of poverty of underserved communities by improving their access to legal information and support services and thus, help resolve their legal issues and, thereby improve their health and social welfare and alleviate their financial difficulties.

DIRECTORS

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

Janet Mary McAlpine
Kay McArdle
Lauren Panora Houghton
Victoria Marie Street
Aruni Amali Weerasekera
G Jacqueline Fangonil Walsh
Cheng Ming Wai Agnes
Nadine Eden Maurellet (appointed on 1 December 2022)
Masha Julia Pivot Farrant (resigned on 30 September 2022)

All existing directors continue to hold office.

PERMITTED INDEMNITY PROVISIONS

The company's Articles provide that a director or former director of the company may be indemnified out of the company's assets against any liability incurred by the director to a person other than the company in connection with any negligence, default, breach of duty or breach of trust in relation to the company.

During the year, the company has entered into contract with an insurance company to provide public liability insurance for the directors.

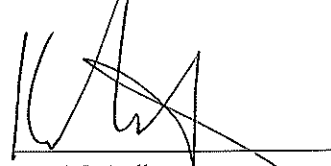
DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance, to which the company was a party and in which a director of the company had material interest, subsisted at the end of the period or at any time during the year.

AUDITORS

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Kay McArdle
Director
2 May 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EQUAL JUSTICE LIMITED
(Incorporated in Hong Kong and limited by guarantee)****Opinion**

We have audited the financial statements of Equal Justice Limited ("the company") set out on pages 4 to 10, which comprise the statement of financial position as at 31 December 2022, the statement of income and general fund and the 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 31 December 2022, and of its financial performance and its cash flows for the year 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 ("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.

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 Entities 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EQUAL JUSTICE LIMITED - CONTINUED
(Incorporated in Hong Kong and limited by guarantee)**

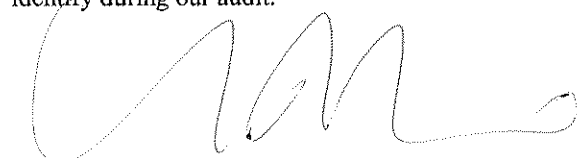
Auditor's Responsibilities for the Audit of the Financial Statements

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. We report our opinion 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 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.
- 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.



WILLIAM PO & CO.
Certified Public Accountants
Hong Kong, 2 May 2023

**STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	HK\$	HK\$
Income		
Grants from Foundations and Trusts	2,450,080	2,458,350
Grants from Corporations	365,045	732,165
General donations	253,819	209,975
Interest income	1,989	1
Employment Support Scheme subsidy	135,200	-
	<u>3,206,133</u>	<u>3,400,491</u>
LESS: EXPENDITURES (DETAILS ON PAGE 5)	(3,171,083)	(3,060,800)
Surplus for the year	35,050	339,691
General fund brought forward	363,076	23,385
General fund carried forward	<u>398,126</u>	<u>363,076</u>


**STATEMENT OF INCOME AND GENERAL FUND - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	HK\$	HK\$
DETAILS OF EXPENDITURES		
Programme expenses		
Advertising	5,608	-
Bank charges	4,342	-
Cleaning and maintenance	21,493	11,683
Client medical expenses	4,475	-
Client postage	3,947	-
Client travel - local	1,288	2,147
Consultant fee	118,163	61,575
Government and consulate fees	6,504	4,088
Home country support	590	2,022
IT and communication expenses	78,645	50,836
Meeting expenses	146	5,366
Office consumables	18,734	14,625
Marketing and communication	8,045	-
Professional fee	6,434	20,465
Publication and printing	1,615	1,970
Public and Community Engagement	6,473	268
Rent	300,000	287,500
Staff cost	5 1,792,888	1,494,853
Staff travel	860	3,433
Staff welfare and training	36,820	38,139
Translation	15,426	11,952
Utilities	5,526	5,803
	<u>2,438,022</u>	<u>2,016,725</u>
General expenses		
Accounting fee	112,050	108,000
Audit fee	20,300	20,300
Bank charges	3,241	1,921
Company secretarial fee	6,050	6,617
Consultant fee	76,105	60,000
Insurance	29,924	23,442
Impact reporting and strategy	-	17,522
IT and communication expenses	18,448	61,677
Miscellaneous	430	601
Office consumables	4,395	10,785
Public and Community Engagement	5,256	-
Renovation costs - one-off	-	183,610
Rent	69,000	73,500
Staff costs	5 383,331	476,100
Staff welfare and training	4,531	-
	<u>733,061</u>	<u>1,044,075</u>
	<u>3,171,083</u>	<u>3,060,800</u>

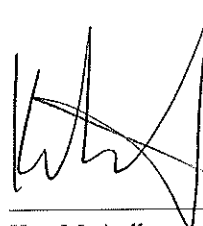
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		2022 HK\$	2021 HK\$
Current assets			
Prepayments and other receivables	6	102,423	97,594
Grant receivables		70,470	30,008
Bank balances		2,272,605	1,427,337
		<u>2,445,498</u>	<u>1,554,939</u>
Current liabilities			
Accruals and other payables		57,918	101,334
Deferred income		1,989,454	1,090,529
		<u>2,047,372</u>	<u>1,191,863</u>
Net assets		<u>398,126</u>	<u>363,076</u>
Funds			
General fund		<u>398,126</u>	<u>363,076</u>

Approved by:



Janet Mary McAlpine
Director



Kay McArdle
Director

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 HK\$	2021 HK\$
Operating activities		
Surplus for the year	35,050	339,691
Adjustment for:		
Interest income	(1,989)	(1)
Operating surplus before changes in working capital	33,061	339,690
Increase in prepayments and other receivables	(4,829)	(3,164)
Increase in grant receivables	(40,462)	(8)
Decrease in accruals and other payables	(43,416)	(28,483)
Increase/(decrease) in deferred income	898,925	(194,955)
Cash generated from operations	843,279	113,080
Interest received	1,989	1
Net cash generated from operating activities	845,268	113,081
Increase in cash and cash equivalents	845,268	113,081
Cash and cash equivalents at the beginning of the year	1,427,337	1,314,256
Cash and cash equivalents at the end of the year	2,272,605	1,427,337
Analysis of cash and cash equivalents		
Bank balances	2,272,605	1,427,337

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 GENERAL

The company has been incorporated under the Companies Ordinance as a company limited by guarantee without share capital. The company's registered office is located at 21/F, Chun Wo Commercial Building, 23-29 Wing Wo Street, Sheung Wan, Hong Kong. The principal activities of the company are for the relief of poverty of underserved communities by improving their access to legal information and support services and thus, help resolve their legal issues and, thereby improve their health and social welfare and alleviate their financial difficulties.

Under the provision of its Articles of Association, every member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding the sum of HK\$100 each.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

(b) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statement of income and retained earnings as incurred over the lease term.

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

(c) Recognition of revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when revenue can be measured reliably, on the following bases:

- * grants earmarked for specific purposes are initially recognised as deferred income. When there is reasonable assurance that the company will comply with the conditions attaching to the project, they are recognised in the statement of income and general fund over the period necessary to match with the related costs which they are intended to compensate.
- * general donations are recognised when the right to receive payment is established.
- * interest is recognised on a time proportion basis that takes into account the effective yield on the asset.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(d) Employee benefits**

- i) Salaries, discretionary bonuses, paid annual leave and the cost to the company of non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the company. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- ii) The company operates a Mandatory Provident Fund scheme ("MPF scheme") for the employees. Contributions are made based on a percentage of the employee's basic salaries and are charged to the income statement as they become payable. The assets of the MPF Scheme are held in an independently administered fund. The company's contributions vest fully with the employees when contributed into the MPF Scheme.

(e) Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and demand deposits with original maturities of three months or less.

(g) Payables

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3 TAXATION

No provision for Hong Kong profits tax is made in the financial statements as the company is an approved charitable institution, and has obtained exemption from Hong Kong profits tax.

**4 DIRECTORS' REMUNERATION (EQUIVALENT TO KEY MANAGEMENT PERSONNEL
COMPENSATION)**

During the years ended 31 December 2022 and 31 December 2021, no amounts have been paid in respect of directors' emoluments, directors' pensions or for any compensation to directors or past directors in respect of loss of office.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022**

5 STAFF COSTS

The company has staff costs included in various expenditure. Details are as follows:

	2022	2021
	HK\$	HK\$
Programme expenses	1,792,888	1,494,853
General expenses	383,331	476,100
	<u>2,176,219</u>	<u>1,970,953</u>

Analysis of the total staff costs is as follows:

	2022	2021
	HK\$	HK\$
Staff salaries and other benefits	2,085,052	1,889,142
Mandatory provident fund	91,167	81,811
	<u>2,176,219</u>	<u>1,970,953</u>

6 PREPAYMENTS AND OTHER RECEIVABLES

	2022	2021
	HK\$	HK\$
Prepayments	43,823	38,994
Rental and utility deposit	58,600	58,600
	<u>102,423</u>	<u>97,594</u>

7 OPERATING LEASE COMMITMENTS

At the year end date, the company had commitments for future minimum lease payment under non-cancellable operating leases which fall due as follows:

	2022	2021
	HK\$	HK\$
Within one year	376,460	300,460
Within two to five years	47,620	41,580
	<u>424,080</u>	<u>342,040</u>

8 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation of the financial statements.

9 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the company's Board of Directors on 2 May 2023.