

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

EQUAL JUSTICE LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 2021.

FINANCIAL STATEMENTS

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

The financial position of the company at 31 December 2021 is set out in the statement of financial position on page 6.

The cash flows of the company for the year ended 31 December 2021 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	(appointed on 1 July 2021)
Victoria Marie Street	(appointed on 1 July 2021)
Aruni Amali Weerasekera	(appointed on 1 July 2021)
G Jacqueline Fangonil Walsh	(appointed on 1 July 2021)
Masha Julia Pivot Farrant	(appointed on 1 July 2021)
Cheng Ming Wai Agnes	(appointed on 1 July 2021)

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.

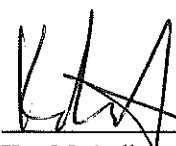
DIRECTORS' INTERESTS IN CONTRACTS

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

07 JUN 2022

**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 11, which comprise the statement of financial position as at 31 December 2021, 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 2021, 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)**

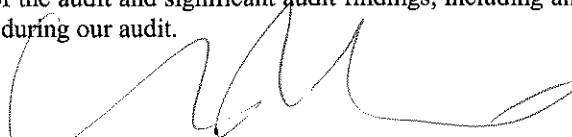
Auditor's Responsibilities for the Audit of the Financial Statements

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,

07 JUN 2022

**STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Year ended 31 December 2021 HK\$	Period from 20 December 2019 (date of incorporation) to 31 December 2020 HK\$
Income		
Grants from Foundations and Trusts	2,458,350	612,050
Grants from Corporations	732,165	123,216
General donations	209,975	23,383
Interest income	1	2
	<u>3,400,491</u>	<u>758,651</u>
LESS: EXPENDITURES (DETAILS ON PAGE 5)	(3,060,800)	(735,266)
Surplus for the year/period	339,691	23,385
General fund brought forward	23,385	-
General fund carried forward	363,076	23,385

STATEMENT OF INCOME AND GENERAL FUND - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

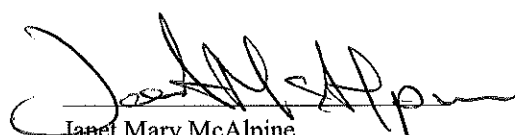
	Year ended 31 December 2021 HK\$	Period from 20 December 2019 (date of incorporation) to 31 December 2020 HK\$
DETAILS OF EXPENDITURES		
Programme expenses		
Client medical expenses	-	180
Client travel - local	2,147	1,040
Consultant fee	61,575	22,500
Government and consulate fees	4,088	4,300
Home country support	2,022	1,327
IT and communication expenses	50,836	14,781
Meeting expenses	5,366	1,086
Office consumables	14,625	-
Professional fee	20,465	418
Publication	1,970	740
Public and Community Engagement	268	-
Rent	287,500	33,900
Staff cost	1,494,853	349,587
Staff travel	3,433	1,670
Staff welfare and training	38,139	1,589
Translation	11,952	2,343
Utilities	5,803	-
	<u>2,005,042</u>	<u>435,461</u>
General expenses		
Accounting fee	108,000	63,000
Advertising	120	1,073
Audit fee	20,300	16,300
Bank charges	1,921	2,766
Company secretarial fee	6,617	3,483
Cleaning and maintenance	11,683	-
Consultant fee	-	67,500
Insurance	23,442	8,757
Impact reporting and strategy	17,522	39,974
IT and communication expenses	61,677	16,441
Miscellaneous	262	346
Office consumables	9,402	-
Postage, stationery and supplies	1,383	3,912
Property agent commission and stamp duty	-	13,253
Renovation costs - one-off	183,610	-
Rent	73,500	63,000
Staff costs	536,100	-
Staff travel	219	-
	<u>1,055,758</u>	<u>299,805</u>
	<u>3,060,800</u>	<u>735,266</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

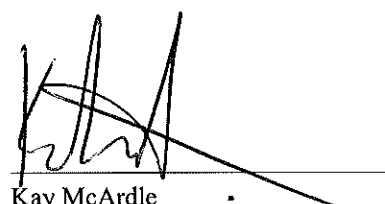
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		2021 HK\$	2020 HK\$
Current assets			
Prepayments and other receivables	6	97,594	94,430
Grant receivables		30,008	30,000
Cash and bank		1,427,337	1,314,256
		<u>1,554,939</u>	<u>1,438,686</u>
Current liabilities			
Accruals and other payables		101,334	129,817
Deferred income		1,090,529	1,285,484
		<u>1,191,863</u>	<u>1,415,301</u>
Net current assets		<u>363,076</u>	23,385
Net assets		<u>363,076</u>	<u>23,385</u>
Funds			
General fund		<u>363,076</u>	<u>23,385</u>

Approved by:



Janet Mary McAlpine
Director



Kay McArdle
Director

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	HK\$	HK\$
Operating activities		
Surplus for the year	339,691	23,385
Adjustment for:		
Interest income	(1)	(2)
Operating cashflow before changes in working capital	339,690	23,383
Increase in prepayments and other receivables	(3,164)	(94,430)
Increase in grant receivables	(8)	(30,000)
(Decrease)/increase in accruals and other payables	(28,483)	129,817
(Decrease)/increase in deferred income	(194,955)	1,285,484
Cash generated from operations	113,080	1,314,254
Interest received	1	2
Net cash generated from operating activities	113,081	1,314,256
Increase in cash and cash equivalents	113,081	1,314,256
Cash and cash equivalents at the beginning of the year/period	1,314,256	-
Cash and cash equivalents at the end of the year/period	1,427,337	1,314,256
Analysis of cash and cash equivalents		
Bank balances	1,427,337	1,314,256

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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) Income tax

Income tax represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the profit from operation before taxation as reported in the income statement after excluding items which are non-assessable or disallowable.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is calculated at the tax rates enacted or substantively enacted at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(d) 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:

- * grant 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 on a time proportion basis.

(e) 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.

(f) 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.

(g) Cash and cash equivalents

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

(h) 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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

During the year ended 31 December 2021 and the period from 20 December 2019 (date of incorporation) to 31 December 2020, 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.

5 STAFF COSTS

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

	Year ended 31 December 2021	Period from 20 December 2019 (date of incorporation) to 31 December 2020
	HK\$	HK\$
Programme expenses	1,494,853	349,587
General expenses	536,100	-
	<u>2,030,953</u>	<u>349,587</u>

Analysis of the total staff costs is as follows:

	Year ended 31 December 2021	Period from 20 December 2019 (date of incorporation) to 31 December 2020
	HK\$	HK\$
Staff salaries	1,949,142	349,587
Mandatory provident fund	81,811	-
	<u>2,030,953</u>	<u>349,587</u>

6 PREPAYMENTS AND OTHER RECEIVABLES

	2021	2020
	HK\$	HK\$
Prepayments	38,994	44,430
Rental and utility deposit	58,600	50,000
	<u>97,594</u>	<u>94,430</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021****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:

	2021	2020
	HK\$	HK\$
Within one year	300,460	287,500
Within two to five years	41,580	287,500
	<u>342,040</u>	<u>575,000</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 07 JUN 2022