

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司
(LIMITED BY GUARANTEE)

MANAGEMENT ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2016

For Management Information Only



Lee & Yu Certified Public Accountants

李志輝 · 余仲良 會計師事務所

In association with | CAC CPA LIMITED | 中审华会计师事务所



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YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2016

(EXPRESSED IN HONG KONG DOLLARS)

For Management Information Only

	<u>2016</u>	<u>2015</u>
REVENUE		
Donation income	178,589	165,263
Membership income	<u>83,000</u>	<u>79,000</u>
	261,589	244,263
ADD : OTHER REVENUE		
Bank interest income	2	3
Other revenue from programs, seminars and other activities	<u>283,766</u>	<u>190,855</u>
	<u>283,768</u>	<u>190,858</u>
	<u>545,357</u>	<u>435,121</u>
LESS : EXPENDITURE (APPENDIX)		
Administrative expenses	166,145	155,690
Other operating expenses	<u>406,370</u>	<u>270,393</u>
	<u>572,515</u>	<u>426,083</u>
(DEFICIT)/SURPLUS FOR THE YEAR	(<u>27,158</u>)	<u>9,038</u>

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

OVERHEAD EXPENSES
FOR THE YEAR ENDED 30TH SEPTEMBER 2016

(EXPRESSED IN HONG KONG DOLLARS)

For Management Information Only

	<u>2016</u>	<u>2015</u>
ADMINISTRATIVE EXPENSES		
Staff		
Mandatory provident fund contributions	7,577	7,103
Salaries and allowances	<u>151,531</u>	<u>142,061</u>
	<u>159,108</u>	<u>149,164</u>
Premises		
Office expenses	4,755	3,813
Sundry expenses	<u>2,282</u>	<u>2,713</u>
	<u>7,037</u>	<u>6,526</u>
	<u>166,145</u>	<u>155,690</u>
OTHER OPERATING EXPENSES		
Communications		
Postage and courier	487	623
Printing and stationery	4,002	1,165
Telephone, fax and internet	<u>1,560</u>	<u>1,660</u>
	<u>6,049</u>	<u>3,448</u>
Financial and other expenses		
Advertising and promotion	-	5,358
Auditors' remuneration	5,400	5,200
Bank charges	810	1,310
Donations	27,157	21,481
Etiquette	2,200	1,550
Insurance	7,246	6,646
Programs, seminars and other activities	<u>348,450</u>	<u>224,939</u>
	<u>391,263</u>	<u>266,484</u>
Travelling and entertainment		
Entertainment	8,659	-
Local travelling	<u>399</u>	<u>461</u>
	<u>9,058</u>	<u>461</u>
	<u>406,370</u>	<u>270,393</u>

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

DIRECTORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2016



Lee & Yu Certified Public Accountants

李志輝 · 余仲良 會計師事務所

In association with | CAC CPA LIMITED | 中审华会计师事务所

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司
(LIMITED BY GUARANTEE)

CONTENTS

	PAGE
Directors' report	1 to 4
Independent auditors' report	5 to 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in funds	9
Statement of cash flows	10
Notes to the financial statements	11 to 18

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

BOARD OF DIRECTORS

Chan Choy How Wah	Lam Kin Kwan	Pang Pui Kong
Chan Hon Chung	Lau Kam Sing	Tang Kim Sung
Chan Lai Hing	Lau Shiu Por	Tang Wai Ming
Chan Yu Kwong	Lau Yau Shing, Ricky	Tang Yuk Fan
Cheng Tze Tak	Lau Yuk Chun	Tsang Chiu Choi
Cheung Chi Kuen	Law Kit Choi	Tse Ai Wei, Amy
Cheung Mi Mee	Lee Man Yuk	Wong Cheuk Fan
Cheung Yiu Fai	Lee Ping Fai	Wong Koon Chun
Chim Kwok On	Lee Shui Tat, Kevin	Wong Lok Hang
Chow Wing Fu	Lee Shui Wing, Luke	Wong Pui Kuen, Sabrina
Chow Yin Ching, Alex	Li Chung Sang	Wong Wah Hing
Chung Hon Kam	Liu Yuk Lan	Wong Wing Hong
Co Shu Wong, David	Lui Hing Tong	Wong Yim Fun
Hui Kwok Fai	Ma King Tai	Yeung Kin Keung, William
Lai Yu Fu	Ngai Suk Yin	

DIRECTORS' REPORT

The directors submit their annual report together with the audited financial statements for the year ended 30th September 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company are charitable purposes and to preach and promote Christian Evangelism.

RESULTS

The results of the Company for the year ended 30th September 2016 are set out in the statement of comprehensive income on page 7.

DONATIONS

During the year, the Company made charitable and other donations of HKD27,157 (2015: HKD21,481).

SHARES ISSUED

The Company is limited by guarantee and consequently has no share capital. Every member of the church is limited to contribute to the assets of the Company in the event of it being wound up during the time of their membership or within one year of ceasing to be a member. Such contribution is not to exceed HKD100 per member.

DIRECTORS

The directors who held office during the year and up to the date of this report were :-

Chan Choy How Wah	
Chan Hon Chung	
Chan Lai Hing	
Chan Lap Yan	(resigned on 1st June 2015)
Chan Yu Kwong	
Cheng Tze Tak	
Cheung Chi Kuen	
Cheung Mi Mee	
Cheung Yiu Fai	
Chim Kwok On	
Chow Wing Fu	
Chow Yin Ching, Alex	
Chung Hon Kam	
Co Shu Wong, David	
Hui Kowk Fai	(appointed on 1st May 2016)
Lai Yu Fu	
Lam Kin Kwan	(appointed on 1st June 2016)
Lau Chi Kau	(resigned on 1st June 2016)
Lau Kam Sing	
Lau Lai Ming, Alex	(resigned on 1st May 2016)
Lau Shiu Por	
Lau Yau Shing, Ricky	(appointed on 1st June 2016)
Lau Yuk Chun	
Law Kit Choi	
Lee Man Yuk	
Lee Ping Fai	(appointed on 1st May 2016)
Lee Shui Tat, Kevin	
Lee Shui Wing, Luke	
Li Chung Sang	
Ling Ka Ying	(resigned on 1st June 2016)
Liu Yuk Lan	
Lui Hing Tong	
Ma King Tai	
Ng Wai	(resigned on 1st March 2016)
Ng Yu Lam	(resigned on 1st January 2016)
Ngai Suk Yin	
Pang Pui Kong	(appointed on 1st January 2016)
Shiu Wai Choi	(resigned on 1st June 2016)
Tang Kim Sung	
Tang Wai Ming	
Tang Wan Chi, Rita	(resigned on 1st June 2016)
Tang Yuk Fan	(appointed on 1st June 2016)

0079

DIRECTORS (CONT'D)

The directors who held office during the year and up to the date of this report were :- (cont'd)

Tsang Chiu Choi	(appointed on 10th November 2015)
Tse Ai Wei, Amy	
Wong Cheuk Fan	
Wong Koon Chun	(appointed on 1st June 2016)
Wong Lok Hang	(appointed on 1st March 2016)
Wong Pui Kuen, Sabrina	(appointed on 1st June 2016)
Wong Wah Hing	(appointed on 1st January 2017)
Wong Wing Hong	(appointed on 1st March 2016)
Wong Yim Fun	
Yang Loom Kit, Joseph	(resigned on 1st March 2016)
Yeung Kin Keung, William	
Yeung Kwok Wai	(resigned on 1st January 2017)

In accordance with Article 39 of the Company's Articles of Association, all directors shall retire from office at the forthcoming annual general meeting and shall be eligible for re-election.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO PURCHASE SHARES, DEBENTURES OR ANY SPECIFIED UNDERTAKINGS

At no time during the year was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its specified undertakings or any other body corporate.

MANAGEMENT CONTRACTS

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

BUSINESS REVIEW

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

PERMITTED INDEMNITY PROVISIONS

At no time during the year and up to the date of this report were there any permitted indemnity provisions in force for the benefit of any of the directors of the Company.

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AUDITORS

The financial statements have been audited by Lee & Yu, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the board



Chan Hon Chung

Hong Kong, 27th March 2017



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION
LIMITED**

元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Yuen Long District Christian Churches Union Limited ("the Company") set out on pages 7 to 18, which comprise the statement of financial position as at 30th September 2016, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- 5 -

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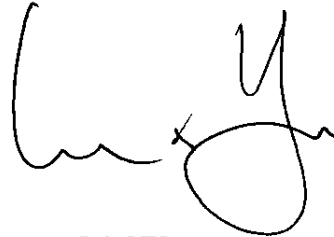
Yuen Long Branch 元朗分行

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Tel 電話: (852)2838 3633
Fax 傳真: (852)2838 3433

0082

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30th September 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



LEE & YU

Certified Public Accountants

22/F.,
Guangdong Finance Building,
88 Connaught Road West,
Sheung Wan, Hong Kong.

27th March 2017

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER 2016

(EXPRESSED IN HONG KONG DOLLARS)

	Note	<u>2016</u>	<u>2015</u>
Revenue	6	261,589	244,263
Other revenue	7	283,768	190,858
Administrative expenses		(166,145)	(155,690)
Other operating expenses		<u>(406,370)</u>	<u>(270,393)</u>
(Deficit)/surplus for the year	8	(27,158)	9,038
Other comprehensive income for the year, net of tax		_____ -	_____ -
Total comprehensive (loss)/income for the year		<u>(27,158)</u>	<u>9,038</u>

The accompanying notes form an integral part of these financial statements.

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2016

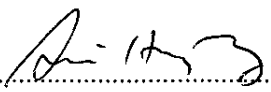
(EXPRESSED IN HONG KONG DOLLARS)

	Note	<u>2016</u>	<u>2015</u>
Non-current assets			
Property, plant and equipment	11	—	—
Current assets			
Prepayments		77	7,659
Cash and cash equivalents	12	<u>48,876</u>	<u>84,839</u>
		<u>48,953</u>	<u>92,498</u>
Current liabilities			
Accrued expenses		7,321	7,721
Receipts in advance		<u>24,559</u>	<u>40,546</u>
		<u>31,880</u>	<u>48,267</u>
Net current assets		<u>17,073</u>	<u>44,231</u>
Net assets		<u>17,073</u>	<u>44,231</u>
Funds and reserves			
General Fund		<u>17,073</u>	<u>44,231</u>

Approved by the board of directors on 27th March 2017



 Chan Hon Chung



 Lui Hing Tong

0085

The accompanying notes form an integral part of these financial statements.

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30TH SEPTEMBER 2016

(EXPRESSED IN HONG KONG DOLLARS)

	<u>General fund</u>
Balance at 30th September 2014	35,193
Total comprehensive income for the year	<u>9,038</u>
Balance at 30th September 2015	44,231
Total comprehensive loss for the year	<u>(27,158)</u>
Balance at 30th September 2016	<u>17,073</u>

0086

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH SEPTEMBER 2016

(EXPRESSED IN HONG KONG DOLLARS)

	Note	<u>2016</u>	<u>2015</u>
Cash flows from operating activities			
(Deficit)/surplus for the year		(27,158)	9,038
Adjustment for :			
Interest received		(2)	(3)
(Deficit)/surplus before working capital changes		(27,160)	9,035
Decrease/(increase) in prepayments		7,582	(7,659)
(Decrease)/increase in accrued expenses		(400)	1,995
(Decrease)/increase in receipts in advance		<u>(15,987)</u>	<u>8,335</u>
Net cash (used in)/generated from operating activities		<u>(35,965)</u>	<u>11,706</u>
Cash flows from investing activities			
Interest received		<u>2</u>	<u>3</u>
Net cash generated from investing activities		<u>2</u>	<u>3</u>
Net (decrease)/increase in cash and cash equivalents		(35,963)	11,709
Cash and cash equivalents at beginning of the year	12	<u>84,839</u>	<u>73,130</u>
Cash and cash equivalents at end of the year	12	<u>48,876</u>	<u>84,839</u>

The accompanying notes form an integral part of these financial statements.

0087

YUEN LONG DISTRICT CHRISTIAN CHURCHES UNION LIMITED
元朗區基督教聯會有限公司

(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS)

1. CORPORATE INFORMATION

Yuen Long District Christian Churches Union Limited (“the Company”) is a limited by guarantee company incorporated in Hong Kong. Every member of the church is limited to contribute to the assets of the Company in the event of it being wound up during the time of their membership or within one year of ceasing to be a member. Such contribution is not to exceed HKD100 per member. The registered office of the Company is at Room B, 1/F., Prosperous Building, 82 Shui Che Kwun Street, Yuen Long, N.T.

During the year, the Company’s principal activities are charitable purposes and to preach and promote Christian Evangelism.

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

In the current year, the Company has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010 - 2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011 - 2013 Cycle
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions

The application of the new and revised HKFRSs, has had no material effect on the financial statements of the Company for the current or prior accounting periods.

The Company has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012 - 2014 Cycle ¹
HKAS 1 (Amendments)	Disclosure Initiative ¹
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
HKAS 16 and HKAS 41 (Amendments)	Agriculture : Bearer Plants ¹
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements ¹
HKFRS 9	Financial Instruments ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contributions of Assets Between an Investor and its Associate or Joint Venture ⁴
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities : Applying the Consolidation Exception ¹
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations ¹

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT’D)

HKFRS 14	Regulatory Deferral Accounts ¹
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³

- 1 Effective for annual periods beginning on or after 1st January 2016.
- 2 Effective for annual periods beginning on or after 1st January 2018.
- 3 Effective for annual periods beginning on or after 1st January 2019.
- 4 No mandatory effective date yet determined but is available for adoption.

The directors of the Company anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Company.

3. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation of the accounts

The financial statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles in Hong Kong and with accounting standards issued by the Hong Kong Institute of Certified Public Accountants.

b) Revenue recognition

i) Donation and membership income

Donation and membership income is recognised on a receipt basis.

ii) Other revenue from programs, seminars and other activities

Other revenue from programs, seminars and other activities are recognised upon completion of services provided.

iii) Interest income

Interest income is recognised on a time appointment basis.

c) Retirement benefit costs

The Company operates a defined contribution retirement scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

3. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provisions for impairment losses required to reflect recoverable amounts. Cost represents the purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the enterprise. All other subsequent expenditure, such as repairs and maintenance and overhaul costs, is recognised as an expense in the period in which it is incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment over their estimated useful lives, on the straight line basis, at the following annual rate:-

Furniture and fixtures	25%
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Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the item and are recognised in the statement of comprehensive income on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to general fund.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for purpose of the statement of cash flows.

f) Trade and other receivables

Trade and other receivable are initially recognised at fair value and thereafter stated at amortised costs less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment for bad and doubtful debts.

g) Trade and other payables

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

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3. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

h) Impairment of other assets

Internal and external sources of information are reviewed at each end of the reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. 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 time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the statement of comprehensive income in the year in which the reversals are recognised.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Management regularly manages the financial risks of the Company. Because of the simplicity of the financial structure and the current operations of the Company, no hedging activities are undertaken by management.

a) Financial risk factors

i) Foreign currency risk

The Company has no significant exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars.

ii) Interest rate risk

As the Company has no significant interest-bearing assets and liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

iii) Price risk

The Company is not exposed to equity securities price risk and commodity price risk.

iv) Credit risk

The Company has no significant concentrations of credit risk.

v) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirement to ensure that it maintains sufficient reserves of cash and adequate committed lines of funds from bank to meet its liquidity requirements in the short and longer terms.

b) Fair value estimation

The carrying amounts of the Company's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives and the estimated residual values, if any. The Company reviews the estimated useful lives and the estimated residual values, if any, of the assets regularly in order to determine the amount of depreciation expenses to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

b) Impairment of assets

The Company conducts impairment reviews of assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the value in use, which requires the Company to estimate the future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

6. REVENUE

Revenue represents donations and membership received during the year.

7. OTHER REVENUE

	<u>2016</u>	<u>2015</u>
Bank interest income	2	3
Other revenue from programs, seminars and other activities	<u>283,766</u>	<u>190,855</u>
	<u>283,768</u>	<u>190,858</u>

0093

8. **(DEFICIT)/SURPLUS FOR THE YEAR**

(Deficit)/surplus for the year is stated after crediting and charging the following :-

	<u>2016</u>	<u>2015</u>
Crediting		
Bank interest income	<u>2</u>	<u>3</u>
Charging		
Auditors' remuneration	5,400	5,200
Directors' remuneration (note 10)	-	-
Retirement benefit costs	7,577	7,103
Staff costs (excluding directors' remuneration and retirement benefits costs)	<u>151,531</u>	<u>142,061</u>

9. **INCOME TAX**

The Company has been granted exemption from tax under Section 88 of the Inland Revenue Ordinance by reason of being a charitable institution of a public character. Accordingly, no provision for taxation has been made in these accounts.

10. **DIRECTORS' REMUNERATION**

None of the directors received or will receive any fees or emoluments in respect of their services to the Company during the year (2015: Nil).

11. **PROPERTY, PLANT AND EQUIPMENT**

	<u>Furniture and fixtures</u>	<u>Total</u>
Cost		
At 30th September 2014, 2015 and 2016	<u>13,165</u>	<u>13,165</u>
Accumulated depreciation		
At 30th September 2014, 2015 and 2016	<u>13,165</u>	<u>13,165</u>
Net book value		
At 30th September 2016	<u>-</u>	<u>-</u>
At 30th September 2015	<u>-</u>	<u>-</u>

0094

12. CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
Cash and bank balances	<u>48,876</u>	<u>84,839</u>
Cash and cash equivalents as stated	<u>48,876</u>	<u>84,839</u>