ENDEAVOUR EDUCATION CENTRE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE MEMBERS

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

REPORT OF THE MANAGEMENT COMMITTEE MEMBERS

The management committee members of Endeavour Education Centre Limited (hereinafter referred to as "the Company") present their report together with the audited financial statements of the Company for the year ended 31 December 2018.

Principal activity

The Company is a company limited by guarantee. The principal activity of the Company is promotion of education in Hong Kong.

Results

The results of the Company for the year are set out in the statement of profit or loss and other comprehensive income on page 6.

The state of affairs of the Company as at 31 December 2018 and 2017 is set out in the statement of financial position on page 7.

Funds

Details of the movements in funds as described in the statement of changes in funds on page 8.

Management committee members

The management committee members of the Company during the year and up to the date of this report were:

Ms. Hsu Lai Tai Rita
Mr. Lee Ming Kwai
Mr. Leung Kee Cheong
Mr. Tsang Tak Sing
Ms. Au King Chi
Mr. Chen Shuang
Ms. Leung Oi Sie Elsie

In accordance with Article 21 and 22 of the Company's Articles of Association, the term of management committee members shall be two years. At the forthcoming annual general meeting of the Company, half of the members of the above management committee shall resign and are eligible for reappointment. At the fourth annual general meeting, the remaining members of the above management committee shall resign and are eligible for reappointment.

REPORT OF THE MANAGEMENT COMMITTEE MEMBERS (CONTINUED)

Management committee members' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

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

Management committee members' interests, underlying shares and debentures of the Company or any specified undertaking of the Company

At no time during the year was the Company a party to any arrangement to enable the management committee members of the Company to hold any interests in the shares or debentures of, the Company or its specified undertakings.

Business review

The Company has satisfied the exemption criteria set out in Section 388(3)(a) of the Hong Kong Companies Ordinance. Therefore, the management committee members of the Company are not required to prepare the report for the business review in accordance with the Hong Kong Companies Ordinance (Cap. 622).

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.

Auditor

The financial statements for the year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting.

On behalf of the management committee members

R. Hsu

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Hsu Lai Tai Rita
Chairman

Hong Kong, 20 June 2019

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INDEPENDENT AUDITORS' REPORT
TO THE MANAGEMENT COMMITTEE MEMBERS OF
ENDEAVOUR EDUCATION CENTRE LIMITED

(Incorporated in Hong Kong with limited liability by guarantee)

OPINION

We have audited the financial statements of Endeavour Education Centre Limited ("the Company") set out on pages 6 to 36, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in funds 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 2018, 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 ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The management committee members are responsible for the other information. The other information comprises the information included in the report of the management committee members, but does not include the financial statements and our auditors' report thereon (the "Other Information").

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.

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RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE MEMBERS FOR THE FINANCIAL STATEMENTS

The management committee members are responsible for the preparation of the 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 management 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 management committee members 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 management committee members either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The management committee members are responsible for overseeing the Company's financial reporting process.

AUDITORS' 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 auditors' 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 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.

INDEPENDENT AUDITORS' REPORT
TO THE MANAGEMENT COMMITTEE MEMBERS OF
ENDEAVOUR EDUCATION CENTRE LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability by guarantee)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- 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 management committee members.

- Conclude on the appropriateness of the management 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 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 auditors' 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 auditors' 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 the management committee members 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.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Shek Lui
Practicing Certificate Number: P05895

Hong Kong, 20 June 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018 (in HK Dollars)	Notes	2018	2017
Revenue	6	**13,137,148**	14,243,400
Other revenue	7	**35,700**	18,685
Program expenses		**(10,166,114)**	(10,824,930)
Fundraising and marketing expenses		-	(2,964)
Administrative expenses		**(2,630,810)**	(2,237,978)
Surplus before taxation	8	**375,924**	1,196,213
Taxation	9	-	-
Surplus for the year		**375,924**	1,196,213
Other comprehensive income		-	-
Total comprehensive income for the year		**375,924**	1,196,213

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018 (in HK Dollars)	Notes	**2018**	2017
Non-current asset			
Plant and equipment	10	**292,406**	432,093
Current assets			
Inventories		**31,037**	56,502
Deposits and prepayments	11	**305,042**	203,084
Cash and cash equivalents		**4,257,365**	3,925,040
		4,593,444	4,184,626
Current liability			
Accruals and other payables		**188,085**	294,878
Net current assets		**4,405,359**	3,889,748
Total assets less current liability		**4,697,765**	4,321,841
Net assets		**4,697,765**	4,321,841
Funds	12	**4,697,765**	4,321,841

Approved by the management committee members on 20 June 2019 and signed on its behalf by:

Hsu Lai Tai Rita
Management Committee Member

Lee Ming Kwai
Management Committee Member

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

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 December 2018 (in HK Dollars)

	General Fund	Designated Funds (Note 12(b)(ii))								
		BOCHK Charitable Foundation 中銀香港慈善基金	Lam Woo Foundation Limited 林護基金有限公司	China Everbright Charitable Foundation Company Limited 中國光大控股慈善基金有限公司	China Merchants Charitable Foundation Limited 招商局慈善基金會有限公司	Golden Jubilee Charity Foundation 同齡同心慈善基金	New Home Association Limited 新家園協會有限公司	Clifford Charitable Fund Association Limited 祈福慈善基金會有限公司	Subtotal	Total
As at 1 January 2017	1,426,011	1,328,544	371,073	-	-	-	-	-	1,699,617	3,125,628
Surplus/(deficit) and total comprehensive income/(loss) for the year	897,363	(31,088)	(307,280)	329,282	(123,463)	431,399	-	-	298,850	1,196,213
Transfer between funds	(123,463)	-	-	-	123,463	-	-	-	123,463	-
As at 31 December 2017 and 1 January 2018	2,199,911	1,297,456	63,793	329,282	-	431,399	-	-	2,121,930	4,321,841
(Deficit)/surplus and total comprehensive (loss)/income for the year	(623,515)	541,415	314,324	295,595	-	(209,106)	(18,764)	75,975	999,439	375,924
As at 31 December 2018	1,576,396	1,838,871	378,117	624,877	-	222,293	(18,764)	75,975	3,121,369	4,697,765

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018 (in HK Dollars)	Note	2018	2017
Cash flows from operating activities			
Surplus for the year		**375,924**	1,196,213
Adjustment for:			
Depreciation on plant and equipment	10	**139,687**	134,089
Operating surplus before changes in working capital		**515,611**	1,330,302
Decrease in inventories		**25,465**	7,584
(Increase)/decrease in deposits and prepayments		**(101,958)**	332,370
(Decrease)/increase in accruals and other payables		**(106,793)**	89,132
Net cash generated from operating activities		**332,325**	1,759,388
Cash flows from investing activity			
Payment for purchase of plant and equipment	10	-	(24,108)
Net cash used in investing activity		-	(24,108)
Net increase in cash and cash equivalents		**332,325**	1,735,280
Cash and cash equivalents at the beginning of the year		**3,925,040**	2,189,760
Cash and cash equivalents at the end of the year		**4,257,365**	3,925,040
Analysis of cash and cash equivalents			
Cash and cash equivalents		**4,257,365**	3,925,040

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018 (in HK Dollars)

1. GENERAL INFORMATION

Endeavour Education Centre Limited ("the Company") is a company limited by guarantee in Hong Kong. The registered office of the Company is located at 1st Floor, Tower One, Tern Centre, No.237 Queen's Road Central, Hong Kong.

The Company is a non-profit making organisation. The Endeavour Education Trust ("the Trust") was set up on 16 November 2015 for the benefit of the Company and provide financial support for the Company's operation and development. The Company is engaged in promotion of education in Hong Kong.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

The Company has applied the following new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") (the "New and Amendments to HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HKAS 28 (Amendments)	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
HKAS 40 (Amendments)	Transfers of Investment Property
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

Except as described below, the application of the New and Amendments to HKFRSs in the current year has had no material impact on the Company's financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 9 *Financial Instruments*

HKFRS 9 replaces the provisions of HKAS 39 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in Note 3 to the financial statements. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

There was no impact on the Company's retained profits as at 1 January 2018 upon adoption of HKFRS 9.

(i) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the management committee members of the Company have assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate HKFRS 9 categories.

The financial assets currently held by the Company include loans and receivables which continue to be measured at amortised cost under HKFRS 9. Accordingly, there is no impact on the classification and measurement of the Company's financial assets upon adoption of HKFRS 9.

There is no impact on the Company's accounting for financial liabilities upon adoption of HKFRS 9.

(ii) Impairment of financial assets

The Company has one type of financial assets that are subject to HKFRS 9's expected credit loss ("ECL") model:

- Other financial assets measured at amortised costs (including deposits and cash and cash equivalents).

The Company was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. There is no impact of the change in impairment methodology on the Company's funds.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 9 ***Financial Instruments*** **(continued)**

(ii) Impairment of financial assets (continued)

Other financial assets measured at amortised costs

Other financial assets at amortised cost include deposits. The Company has applied the ECL model to deposits, as at 1 January 2018 and the change in impairment methodologies did not have any material impact on the Company's financial statements and the opening loss allowance is not restated in this respect.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

HKFRS 15 ***Revenue from Contracts with Customers and the related Amendments***

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18 *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11 *Construction contracts*, which specified the accounting for construction contracts.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Previously, revenue arising from provision of services was generally recognised at a point in time when the services are rendered.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised service is regarded as being transferred over time:

(a) When the customers simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(b) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

(c) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 15 *Revenue from Contracts with Customers and the related Amendments* (continued)

If the contract terms and the entity's activities do not fall into any of these 3 situations, the under HKFRS 15 the entity recognises revenue for the sale of that service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have any material impact on the timing of revenue recognition of the Company.

New and amendments to HKFRSs in issue but not yet effective

The Company has not early applied the following New and Amendments to HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle[1]
HKFRS 3 (Amendments)	Definition of a Business[4]
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[2]
HKAS 1 and HKAS 8 (Amendments)	Definition of Material[5]
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement[1]
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures[1]
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]

[1] Effective for annual periods beginning on or after 1 January 2019.
[2] Effective for annual periods beginning on or after 1 January 2021.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
[5] Effective for annual periods beginning on or after 1 January 2020.

Except for the New and Amendments to HKFRSs mentioned below, the Company anticipate that the application of all other New and Amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

HKFRS 16 *Leases*

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Company currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Company.

Furthermore, extensive disclosures are required by HKFRS 16.

At 31 December 2018, the Company has non-cancellable operating lease commitments of HK$500,000 as disclosed in Note 14 to the financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Company will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Company intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained earnings without restating comparative information.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires the management committee members to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the year of the revision and future periods if the revision affects both current and future periods.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to its location and working condition for its intended use. Expenses incurred after item of plant and equipment have been put into operation, such as repair and maintenance, is normally charged to the statement of profit or loss and other comprehensive income in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of plant and equipment and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and equipment (continued)

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful life at the following rates per annum:

Office equipment	20%
Computer	30%
Leasehold improvements	20%

Where parts of an item of plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the period the asset is derecognised is the difference between the net proceeds and the carrying amount of the relevant assets.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is computed using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at a bank and on hand 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 form an integral part of the Company's cash management.

For the purpose of the statement of financial positions, cash and cash equivalents comprise cash at a bank and on hand, which are not restricted to use.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in Note 2)

Under HKFRS 15, the Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates and enhances an asset that the customer controls as the Company performs; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service.

Revenue from provision of services is recognised at a point in time as the customer obtains control of the service.

The asset to be recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the assets relate. The asset is subject to impairment review.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (prior to 1 January 2018)

Provided it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably, revenue is recognised in the statement of profit or loss and other comprehensive income as follows:

(i) *Fund from the Trust*

Fund from the Trust is recognised on a receipt basis.

(ii) *Sponsorship income*

Sponsorship income from sponsors is recognised on a receipt basis.

(iii) *Campaign income*

Campaign income is recognised when campaigns are rendered.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 2) (continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 2)

The Company measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 2) (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 2) (continued)

(ii) Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

Irrespective of the above, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 2) (continued)

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Company's deposits are assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in Note 2) (continued)

(v) Measurement and recognition of ECL (continued)

The grouping is regularly reviewed by the management committee members of the Company to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including deposits and cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities

Other financial liabilities

Other financial liabilities (including accruals and other payables) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018 (in HK Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Related parties

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

  (i) has control or joint control over the Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Company or the Company's parent.

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

  (i) the entity and the Company 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) the entity and the Company 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (continued)

(b) An entity is related to the Company if any of the following conditions applies: (continued)

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employees are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(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 a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of the person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources and obligations between related parties.

Employee benefits

(i) Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees and a provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. Employee entitlement to sick leave and maternity or paternity leave is not recognised until the time of leave.

(iii) Pensions obligations

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient asset to pay all employees the benefits relating to employee service in the current and prior years.

The Company contributes to a defined contribution mandatory provident fund retirement benefits scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate. Contributions are made based on a percentage of the employee's basic salaries and charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in Note 3, the management committee members are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Useful lives and impairment of plant and equipment

In accordance with HKAS 16, the Company estimates the useful lives of plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Company also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Company tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating units is determined based on value in use calculations which require the use of assumptions and estimates.

5. FINANCIAL RISK MANAGEMENT

Exposure to credit and liquidity risks arises in the normal course of the Company's business. The Company's exposure to these risks and financial risks management policies and practices used by the Company to manage these risks and described below:

(a) Credit risk

The Company has no significant concentrations of credit risk with exposure spread over a large number of counterparties and customers. The carrying amounts of deposits and cash and cash equivalents represent the Company's maximum exposure to credit risk in relation to financial assets.

In respect of cash and cash equivalents, the credit risk is considered to be low as the counterparty is a reputable bank with high credit rating. The existing counterparty does not have defaults in the past. Therefore, ECL rate of cash and cash equivalents is assessed to be close to zero and no provision was made as at 31 December 2018.

For deposits, the management committee members make periodic collective assessments as well as individual assessment on the recoverability of deposits based on historical settlement records and past experience. The management committee members of the Company believe that there is no material credit risk inherent in the Company's outstanding balance of deposits.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018 (in HK Dollars)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management committee members, which has built an appropriate liquidity risk management framework to meet the Company's short, medium and long-term funding and liquidity management requirements.

The following table details the remaining contractual maturities at the end of the reporting period of the Company's non-derivative financial liabilities, which are based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Company can be required to pay:

	As at 31 December 2018			
	Within 1 year or on demand	**More than 1 year**	**Total contractual undiscounted cash flow**	**Carrying amount**
Accruals and other payables	**188,085**	**-**	**188,085**	**188,085**

	As at 31 December 2017			
	Within 1 year or on demand	More than 1 year	Total contractual undiscounted cash flow	Carrying amount
Accruals and other payables	294,878	-	294,878	294,878

(c) Fair value of financial instruments

All financial instruments are stated at amounts not materially different from their fair values as at 31 December 2018 and 2017.

(d) Capital risk management

The objectives of the Company's capital management are to safeguard its ability to continue as a going concern and to promote its activities in Hong Kong as non-profit making organisation. The company defines "capital" as including the general fund maintained by the Company. The Company manages its capital structure and makes adjustment. No changes were made in the objectives, policies or processes during the years ended 31 December 2018 and 2017.

6. REVENUE

Revenue represents the amount received from the Trust and the sponsors of the activities for the years. The amount of each significant category of income recognised in revenue during the years is as follows:

	2018	2017
Campaign income	**1,160,700**	1,218,400
Fund received from the Trust	**5,850,000**	7,200,000
Sponsorship income	**6,126,448**	5,825,000
	13,137,148	14,243,400

7. OTHER REVENUE

	2018	2017
Venue income	**35,700**	18,685

8. SURPLUS BEFORE TAXATION

	2018	2017
Surplus before taxation is arrived at after charging:		
Auditors' remuneration	-	-
Management committee members' emolument (Note)	-	-
Depreciation of plant and equipment	**139,687**	134,089
Salaries, wages and other benefits (excluding management committee members' emoluments)	**2,956,477**	2,567,566
Operating lease rental expenses	**620,150**	592,000
Cost of inventories expensed	**140,216**	75,247

Note:

No remuneration has been paid to the management committee members save as disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation for the years ended 31 December 2018 and 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018 (in HK Dollars)

9. TAXATION

No provision for Hong Kong profits tax is provided as the Company has been exempted for all taxes payable by the Hong Kong Inland Revenue Department under Section 88 of Hong Kong Inland Revenue Ordinance.

10. PLANT AND EQUIPMENT

	Office equipment	Computer	Leasehold improvements	Total
Cost:				
As at 1 January 2017	4,088	25,825	619,450	649,363
Addition during the year	-	24,108	-	24,108
As at 31 December 2017, 1 January 2018 and 31 December 2018	4,088	49,933	619,450	673,471
Accumulated depreciation:				
As at 1 January 2017	407	5,220	101,662	107,289
Charge for the year	818	9,381	123,890	134,089
As at 31 December 2017 and 1 January 2018	1,225	14,601	225,552	241,378
Charge for the year	818	14,980	123,889	139,687
As at 31 December 2018	2,043	29,581	349,441	381,065
Carrying amount:				
As at 31 December 2018	**2,045**	**20,352**	**270,009**	**292,406**
As at 31 December 2017	2,863	35,332	393,898	432,093

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018 (in HK Dollars)

11. DEPOSITS AND PREPAYMENTS

	2018	2017
Deposits	**193,725**	191,725
Prepayments	**111,317**	11,359
	305,042	203,084

12. FUNDS

(a) Components of the Company's Funds

The movement of each component of the Company's Funds is set out in the statement of changes in fund.

(b) Nature and purpose of each fund

(i) General fund

General fund is used for the general operation and administration of the Company.

	2018	2017
Income		
Fund from the Trust	**5,850,000**	7,200,000
Campaign income	**1,160,700**	1,218,400
Other income	**35,700**	18,685
	7,046,400	8,437,085
Expenditure		
Program expenses	**5,039,105**	5,298,780
Fundraising and marketing expenses	-	2,964
Administrative expenses	**2,630,810**	2,237,978
	7,669,915	7,539,722
(Deficit)/surplus for the year	**(623,515)**	897,363

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018 (in HK Dollars)

12. FUNDS (CONTINUED)

(b) Nature and purpose of each fund (continued)

(ii) Designated funds

Designated funds represent donations that are designated for specific programmes.

For the year ended 31 December 2018

	Designated Funds						
	BOCHK Charitable Foundation 中銀香港慈善基金	**Lam Woo Foundation Limited 林護基金有限公司**	**China Everbright Charitable Foundation Company Limited 中國光大控股慈善基金有限公司**	**Golden Jubilee Charity Foundation 同齡同心慈善基金**	**New Home Association Limited 新家園協會有限公司**	**Clifford Charitable Fund Association Limited 祈福慈善基金會有限公司**	**Total**
Income							
Designated donation from the Trust	**3,300,000**	**650,000**	**1,550,000**	**-**	**326,448**	**300,000**	**6,126,448**
Expenditure							
Programme expenses	**(2,758,585)**	**(335,676)**	**(1,254,405)**	**(209,106)**	**(345,212)**	**(224,025)**	**(5,127,009)**
(Deficit)/surplus for the year	**541,415**	**314,324**	**295,595**	**(209,106)**	**(18,764)**	**75,975**	**999,439**

For the year ended 31 December 2017

	Designated Funds					
	BOCHK Charitable Foundation 中銀香港慈善基金	Lam Woo Foundation Limited 林護基金有限公司	China Everbright Charitable Foundation Company Limited 中國光大控股慈善基金有限公司	China Merchants Charitable Foundation Limited 招商局慈善基金會有限公司	Golden Jubilee Charity Foundation 同齡同心慈善基金	Total
Income						
Designated donation from the Trust	3,300,000	-	1,500,000	525,000	500,000	5,825,000
Expenditure						
Programme expenses	(3,331,088)	(307,280)	(1,170,718)	(648,463)	(68,601)	(5,526,150)
(Deficit)/surplus for the year	(31,088)	(307,280)	329,282	(123,463)	431,399	298,850

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2018 (in HK Dollars)

13. MEMBERS' LIABILITY

The Company is not authorised to issue share capital and is limited by guarantee. Under the provision of the Company's 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 $1,000 per member.

14. OPERATING LEASE COMMITMENTS

The Company as lessee

The Company has rentals payable for its office premises under operating lease arrangements, with lease term negotiated for two years with fixed rentals.

At the end of the reporting period, the Company had total future minimum lease payable under non-cancellable operating leases with its landlord falling due as follows:

	2018	2017
Within one year	**500,000**	600,000
In the second to fifth years inclusive	-	500,000
	500,000	1,100,000

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the management committee members on 20 June 2019.

----------- End of Notes -------------