

Contemporary Charitable Foundation Limited

當代慈善基金有限公司

Reports and financial statements

Year ended 30 September 2016

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Independent auditor's report

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To the members of

Contemporary Charitable Foundation Limited

當代慈善基金有限公司

(incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Contemporary Charitable Foundation Limited ("the Foundation") set out on pages 3 to 10, which comprise the statement of financial position as at 30 September 2016, and the statement of profit and loss and other comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive committee members' responsibility for the financial statements

The executive committee members are responsible for the preparation of financial statements that give a true and fair view in accordance with 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 executive committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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, in accordance with the Hong Kong Companies Ordinance, and for no other purposes. 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 judgment, 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 executive committee members, 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.

To the members of

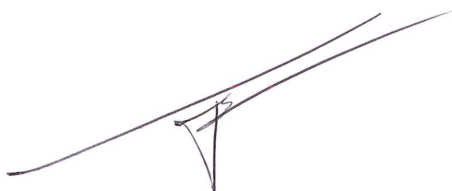
Contemporary Charitable Foundation Limited

當代慈善基金有限公司

(incorporated in Hong Kong and limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 30 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.

A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke, positioned above the name Johnny Chan.

Johnny Chan

Certified Public Accountant

30 June 2017

Income and expenditure account

Year ended 30 September 2016

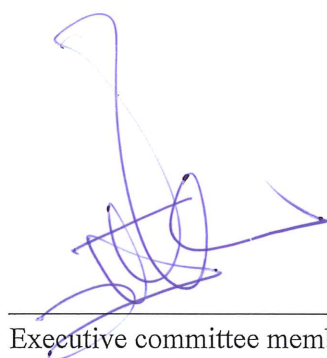
	Note	2016 HK\$	2015 HK\$
Income	2	233,000	2,127,540
Other income		1	2
Expenditure		(195,700)	(2,074,197)
Surplus and total comprehensive income for the year	3	<u>37,301</u>	<u>53,345</u>


The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of financial position

As at 30 September 2016

	2016 HK\$	2015 HK\$
Current assets		
Prepayment	9,027	9,437
Donation receivable	23,000	-
Cash at bank	110,506	103,695
	<u>142,533</u>	<u>113,132</u>
Current liabilities		
Accruals	8,600	16,500
	<u>8,600</u>	<u>16,500</u>
Net assets	<u>133,933</u>	<u>96,632</u>
 Representing by:		
Accumulated surplus	<u>133,933</u>	<u>96,632</u>


Executive committee member


Executive committee member

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of changes in fund

Year ended 30 September 2016

	Accumulated surplus HK\$
Balance at 1 October 2014	43,287
Changes in accumulated fund for 2015:	
Surplus and total comprehensive income for the year	53,345
Balance at 30 September 2015	<u>96,632</u>
Balance at 1 October 2015	96,632
Changes in accumulated fund for 2016:	
Surplus and total comprehensive income for the year	37,301
Balance at 30 September 2016	<u><u>133,933</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of cash flows

Year ended 30 September 2016

	2016 HK\$	2015 HK\$
Operating activities		
Surplus for the year	37,301	53,345
Operating profit before changes in working capital	37,301	53,345
Decrease (increase) in prepayments	410	(8,210)
Increase in donation receivable	(23,000)	-
(Decrease) increase in accruals	(7,900)	500
Net cash generated from operating activities	6,811	45,635
Financing activity		
Decrease in amount due to an executive committee member	-	(127)
Net cash used in financing activity	-	45,508
Net increase in cash and cash equivalents	6,811	45,508
Cash and cash equivalents at beginning of the year	103,695	58,187
Cash and cash equivalents at end of the year	110,506	103,695
Analysis of cash and cash equivalents:		
Cash at bank	110,506	103,695

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

Accounting policies and explanatory notes to the financial statements

Year ended 30 September 2016

1. Significant accounting policies

(a) 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), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Foundation is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current and prior accounting periods reflected in these financial statements.

(b) 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 management to make judgements, 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 judgements 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 period of the revision and future periods if the revision affects both current and future periods.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

Accounting policies and explanatory notes to the financial statements

Year ended 30 September 2016

1. Significant accounting policies (continued)

(d) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(e) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue and costs, if applicable, can be measured reliably. Donation is recognised when the Foundation becomes entitled to the donations and it is probable that they will be received, which is generally upon receipt of cash.

(f) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (i) A person, or a close member of that person's family, is related to the Foundation if that person:
 - (1) has control or joint control over the Foundation;
 - (2) has significant influence over the Foundation; or
 - (3) is a member of the key management personnel of the Foundation or the Foundation's parent.
- (ii) An entity is related to the Foundation if any of the following conditions applies:
 - (1) the entity and the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) 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).
 - (3) both entities are joint ventures of a third entity.
 - (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) the entity is a post-employment benefit plan for the benefit of employees of either the Foundation or an entity related to the Foundation. If the Foundation is itself such a plan, the sponsoring employers are also related to the plan.
 - (6) the entity is controlled or jointly controlled by a person identified in (i).
 - (7) a person identified in (i)(1) 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).

Accounting policies and explanatory notes to the financial statements

Year ended 30 September 2016

2. Income

	2016 HK\$	2015 HK\$
Sponsorship received for campaign event	23,000	10,000
Donation received	210,000	2,117,540
	<u>233,000</u>	<u>2,127,540</u>

3. Surplus and total comprehensive income for the year

Surplus and total comprehensive income for the year is arrived at after charging:

	2016 HK\$	2015 HK\$
Auditor's remuneration	<u>8,000</u>	<u>8,000</u>

4. Income tax expense

The company is an approved charitable institution which is exempted from Hong Kong profits tax.

5. Capital management

The Foundation's primary objectives when managing capital are to safeguard the Foundation's ability to continued as a going concern

The Foundation defines "capital" as including the general fund maintained by the Foundation.

The Foundations's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Foundations, to the extent that these do not conflict with the executive committees' fiduciary duties towards the Foundation or the requirements of the Hong Kong Companies Ordinance.

6. Financial risk management and fair values

There is no significant exposure to credit, interest rate, and liquidity risks as the company has no substantial financial instruments outstanding at the end of the reporting period.

All financial instruments are carried at amount not materially different from their fair values as at the end of the reporting period.

Accounting policies and explanatory notes to the financial statements

Year ended 30 September 2016

7. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 September 2016

Up to the date of issue of these financial statements, the HKICPA has issued new amendments and new standards which are not yet effective for the year ended 30 September 2016 and which have not been adopted in these financial statements. They include the following which may be relevant to the Foundation.

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

*Effective for
accounting periods
beginning on or after*

Amendments to HKAS 1, <i>Disclosure Initiative</i>	1 January 2016
HKFRS 9, <i>Financial instruments</i>	1 January 2018
HKFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
HKFRS 16, <i>Leases</i>	1 January 2019

8. Approval of financial statements

The financial statements were approved and authorised for issue by the executive committee on 30 June 2017.

Detailed income and expenditure account

Year ended 30 September 2016

	2016 HK\$	2015 HK\$
Income		
Sponsorship received for campaign event	23,000	10,000
Donation received	210,000	2,117,540
	<u>233,000</u>	<u>2,127,540</u>
Add: <u>Other income</u>		
Bank interest income	1	2
	<u>233,001</u>	<u>2,127,542</u>
Less: <u>Expenditure</u>		
Auditor's remuneration	8,000	8,000
Bank charges	545	1,595
Campaign expense	93,075	509,489
Donation	64,420	1,538,655
Legal and professional fee	3,600	-
Loss on exchange difference	-	282
Printing and stationery	270	2,575
Secretarial fee	2,900	2,900
Sundry expenses	2,332	3,345
Travelling	-	-
Website maintenance	20,558	7,356
	<u>195,700</u>	<u>2,074,197</u>
Surplus for the year	<u>37,301</u>	<u>53,345</u>