

**THE CONSERVANCY ASSOCIATION CENTRE FOR  
HERITAGE LIMITED**

長春社文化古蹟資源中心有限公司

**STATEMENTS OF ACCOUNTS**

For the year ended 31st December 2014

楊少銓會計師事務所  
**ALBERT S. C. YOUNG & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**EXECUTIVE COMMITTEE'S REPORT**

The executive committee has pleasure to present the annual report together with the audited financial statements of the Association for the year ended 31st December 2014.

Principal activities

The principal activities of the Association are established for the objective of serving as an education and information centre on local heritage issues to the public during the year.

Results and appropriations

The result of the Association for the year ended 31st December 2014 and the state of the Association's affairs at that date are set out in the annexed financial statements and notes.

Property, plant and equipment

Details of movements during the year in the property, plant and equipment of the Association are set out in note 7 to the financial statements.

Executive committee

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

Chan Chit Kwai, Stephen  
Chan Choi Hi  
Chan Chi Yuen (appointed on 6 March 2015)  
Chan Hiu Fun  
Ho Siu Fong, Betty  
Hung Wing Tat  
Lai Kwong Tak, Albert  
Lam Kin Lai  
Law Winnie Wai Yi (appointed on 6 March 2015)  
Lee Ho Yin  
Leung Ping Wa  
So Kwok Yin  
Woo Kwok Ping  
Wu Yim Chung  
Yick Wing Fat, Simon

In accordance with the Articles no. 26 & 27 of Association, Mr. Chan Chit Kwai Stephen; Ms. Ho Siu Fong Betty; Mr. Hung Wing Tat; Mr. Leung Ping Wa; Ms. Woo Kwok Ping whose term of office shall expire on the close of this year's Annual General Meeting and, being eligible, shall offer themselves for re-election.

Executive committee members' interests in contracts

No contract of significance to which the Association was a party and in which the executive committee members of Association had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Auditors

A resolution to reappoint Messrs. Albert S. C. Young & Company as auditors of the Association will be proposed at the annual general meeting.

On behalf of the executive committee



Chairman  
Hong Kong, 24 SEP 2015

楊少銓會計師事務所 香港執業會計師

ALBERT S. C. YOUNG & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

89-93 Bonham Strand, 2<sup>nd</sup> Floor, Office C, Man Lok Building, Hong Kong.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
(incorporated in Hong Kong with liability limited by guarantee)

We have audited the financial statements of The Conservancy Association Centre for Heritage Limited ("the Association") set on pages 4 to 12 which comprise statement of financial position as at 31st December 2014 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Executive committee members' responsibilities 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 for Private Entities issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and 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 section 141 of the predecessor Hong Kong Companies Ordinance (Cap. 32) pursuant to section 80 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), 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 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.

楊少銓會計師事務所 香港執業會計師

ALBERT S. C. YOUNG & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

89-93 Bonham Strand, 2<sup>nd</sup> Floor, Office C, Man Lok Building, Hong Kong.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
(incorporated in Hong Kong with liability limited by guarantee)

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31st December 2014 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards for Private Entities and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.



.....  
Albert S. C. Young & Company,  
Certified Public Accountants.

Hong Kong, 24 SEP 2015


**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**

**STATEMENT OF FINANCIAL POSITION at 31st December 2014**

	Note	<u>2014</u> \$	<u>2013</u> \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	134,921	144,776
<b>Current assets</b>			
Account receivables	8	792,772	696,652
Cash and cash equivalents	9	1,041,783	242,036
		<u>1,834,555</u>	<u>938,688</u>
<b>Current liabilities</b>			
Account payables	10	316,653	243,538
<b>Net current assets</b>		<u>1,517,902</u>	<u>695,150</u>
<b>Total assets less current liabilities</b>		1,652,823	839,926
<b>Non-current liabilities</b>			
Amount due to other		3,093	8,093
Amount due to a related Association	11	500,000	550,000
		<u>503,093</u>	<u>558,093</u>
<b>Net assets</b>		<u><u>1,149,730</u></u>	<u><u>281,833</u></u>
<b>GENERAL FUND</b>			
Accumulated surplus		<u><u>1,149,730</u></u>	<u><u>281,833</u></u>

The financial statements on pages 4 to 12 were approved and authorised for issue by the board of executive committee on 24 SEP 2015

  
.....  
Chairman

  
.....  
Honorary treasurer

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31st December 2014**

	Note	<u>2014</u> \$	<u>2013</u> \$
Turnover	4	5,087,793	3,344,939
Expenditure			
Administrative expenses		(3,699,006)	(2,998,546)
Projects		(520,890)	(205,567)
Surplus from operations	5	<u>867,897</u>	<u>140,826</u>
Surplus for the year		<u>867,897</u>	<u>140,826</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>867,897</u></u>	<u><u>140,826</u></u>

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31st December 2014**

	<u>Accumulated surplus</u> \$
Balance at 31.12.2012	141,007
Total comprehensive income for the year	<u>140,826</u>
Balance at 31.12.2013	281,833
Total comprehensive income for the year	<u>867,897</u>
Balance at 31.12.2014	<u><u>1,149,730</u></u>

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31st December 2014**

	<u>2014</u>	<u>2013</u>
	\$	\$
<b>Cash flows from operating activities</b>		
Surplus for the year	867,897	140,826
Adjustments for:		
Depreciation	128,446	206,283
Operating cash flows before movements in working capital	<u>996,343</u>	<u>347,109</u>
(Increase) in account receivables	(96,120)	(253,287)
Increase in account payables	73,115	228,138
(Decrease)/increase in amount due to other	(5,000)	8,093
(Decrease) in amount due to a related Association	(50,000)	(50,000)
Net cash generated from operating activities	<u>918,338</u>	<u>280,053</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(118,591)	(91,441)
Net cash (used in) investing activities	<u>(118,591)</u>	<u>(91,441)</u>
<b>Net increase in cash and cash equivalents</b>	799,747	188,612
<b>Cash and cash equivalents at beginning of year</b>	<u>242,036</u>	<u>53,424</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>1,041,783</u></u>	<u><u>242,036</u></u>
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at bank and in hand	<u><u>1,041,783</u></u>	<u><u>242,036</u></u>



**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

1. General

The Association is a private company domiciled and incorporated in Hong Kong with liability limited by guarantee. The address of the registered office and principal place of business of the Association is G/F. and 1/F., Annex Block, Western District Community Centre, 36A Western Street, Hong Kong. The principal activities of the Association are established for the objective of serving as an education and information centre on local heritage issues to the public during the year.

2. Significant accounting policies

(a) Basis of accounting

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance which concern the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. They have been prepared under the historical cost convention and on the going concern basis.

(b) Currency

These financial statements have been prepared in Hong Kong dollars.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over their estimated useful lives on a straight-line basis.

(d) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of office equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the profit or loss. A previously recognised loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(e) Account receivables

Account receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the profit or loss.

(f) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Association's cash management are included as a component of cash and cash equivalents.

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

2. Significant accounting policies (continued)

(g) Account payables

Account payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial that are measured at their original invoice amount.

(h) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Association 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, whose existence 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.

(i) Related parties

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

- (i) has control or joint control over the Association;
- (ii) has significant influence over the Association; or
- (iii) is a member of the key management personnel of the Association or of a parent of the Association.

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

- (i) The entity and the Association 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) Both entities 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.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.
- (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).

(j) Revenue recognition

Revenue comprises income from fund-raising and projects are accounted for on accrual basis.

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

3. Critical accounting estimates and judgement

The Association's management makes assumptions, estimates and judgements in the process of applying the Association's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRS for Private Entities. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

(a) Key assumption and other key sources of estimation uncertainty

In the opinion of executive committee members, there is no key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year.

(b) Critical judgements in applying the Association's accounting policies

In the opinion of executive committee members, there is no critical judgements in applying the Association's accounting policies.

4. Turnover

Turnover includes income from projects that are accounted for on accrued basis (except for part of the subsidies from the Hong Kong Jockey Club amounting to \$1,528,300 that is accounted for on cash basis).

	<u>2014</u>	<u>2013</u>
	\$	\$
Donations	84,317	18,784
Activities income	247,945	-
Subsidies from the Hong Kong Jockey Club	2,234,900	1,448,799
Subsidies from Quality Education Fund	770,736	1,027,651
Subsidies from Urban Renewal Fund	1,142,319	237,135
Project income	582,076	503,674
Other income	25,500	108,896
	<u>5,087,793</u>	<u>3,344,939</u>

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

5. Surplus from operations

	<u>2014</u>	<u>2013</u>
	\$	\$
Surplus from operations is stated after charging:-		
Auditor's remuneration	24,800	-
Executive committee members' emoluments		
- Committee members' fee	-	-
- Salaries and allowance	-	-
Staff cost		
- Salaries	2,879,341	2,186,817
- Mandatory provident fund	122,197	88,968
- Staff benefit	7,200	-
Depreciation	<u>128,446</u>	<u>206,283</u>

6. Taxation

The Association has been exempted under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character.

7. Property, plant and equipment

	<u>Leasehold improvements</u>	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>Total</u>
	\$	\$	\$	\$
Cost -				
At 31.12.2013	1,269,098	156,899	774,444	2,200,441
Additions	-	-	118,591	118,591
At 31.12.2014	<u>1,269,098</u>	<u>156,899</u>	<u>893,035</u>	<u>2,319,032</u>
Accumulated depreciation -				
At 31.12.2013	1,269,098	140,069	646,498	2,055,665
Charges for the year	-	16,830	111,616	128,446
At 31.12.2014	<u>1,269,098</u>	<u>156,899</u>	<u>758,114</u>	<u>2,184,111</u>
Net book value -				
At 31.12.2014	<u>-</u>	<u>-</u>	<u>134,921</u>	<u>134,921</u>
At 31.12.2013	<u>-</u>	<u>16,830</u>	<u>127,946</u>	<u>144,776</u>

Depreciation is charges on straight line basis at annual rate of 20%.

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

8. Account receivables

	<u>2014</u>	<u>2013</u>
	\$	\$
Deposit and prepayment	37,488	18,524
Account receivables	207,207	19,600
Subsidies receivables	548,077	658,528
	<u>792,772</u>	<u>696,652</u>

9. Cash and cash equivalents

Cash at bank and in hand	<u>1,041,783</u>	<u>242,036</u>
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10. Account payables

Account payable	<u>316,653</u>	<u>243,538</u>
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11. Amount due to a related Association

The amount due to a related Association is unsecured, interest-free and repayable on demand.

12. Financial instruments

Financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity of the instrument.

The members of executive committee have considered the effect of the financial instruments and do not anticipate that there are any material impact or risk associated with the financial instruments that need to be accounted for in the Association's financial statements.