

**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 31 December 2015**

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 31 December 2015.

**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 31 December 2015 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 6 to the financial statements.

**Business review**

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

**Executive committee**

The members of executive committee during the financial year were:

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

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



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Chan Chit Kwai, Stephen

Chairman

Hong Kong, 29 AUG 2016

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 3 to 9, which comprise the statement of financial position as at 31 December 2015, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Executive committee members' responsibilities for the financial statements**

The executive committee members are responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants, 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. The report is made solely to you, as a body, in accordance with sections 405-407 of the Hong Kong Companies Ordinance, and for no other purpose. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" 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 the financial statements 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.

**Opinion**

In our opinion, the financial statements of the Association for the year ended 31 December 2015 are prepared, in all material respects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



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

Hong Kong, 29 AUG 2016

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**STATEMENT OF FINANCIAL POSITION at 31 December 2015**

	Note	<u>2015</u> \$	<u>2014</u> \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	71,155	134,921
<b>Current assets</b>			
Account receivables	7	906,567	792,772
Cash and cash equivalents		1,212,682	1,041,783
		2,119,249	1,834,555
<b>Current liabilities</b>			
Account payables	8	265,074	316,653
<b>Net current assets</b>		1,854,175	1,517,902
<b>Total assets less current liabilities</b>		1,925,330	1,652,823
<b>Non-current liabilities</b>			
Amount due to other		-	3,093
Amount due to a related Association	9	450,000	500,000
		450,000	503,093
<b>Net assets</b>		1,475,330	1,149,730
<b>GENERAL FUND</b>			
Accumulated surplus		1,475,330	1,149,730

Approved on behalf of the Executive Committee by:



Chan Chit Kwai, Stephen  
Chairman



Yick Wing Fat, Simon  
Honorary treasurer

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED**  
**INCOME STATEMENT**  
**For the year ended 31 December 2015**

	Note	<u>2015</u> \$	<u>2014</u> \$
Revenue	3	5,126,513	5,087,793
Expenditure			
Administrative expenses		(4,275,739)	(3,699,006)
Projects		(525,174)	(520,890)
Surplus from operations	4	<u>325,600</u>	<u>867,897</u>
Income tax expense	5	-	-
Surplus for the year		<u><u>325,600</u></u>	<u><u>867,897</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**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

The Association qualifies for the reporting exemption as a small private company under Section 359 (1)(a) for the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

The Association applied Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for PE") prior to the application of the SME-FRS.

Under SME-FRS 2.7 and 2.8, changes in accounting policy should be applied retrospectively, unless it is impracticable to determine the cumulative effect of the change. Comparatives need not be restated if this would involve undue cost or effort.

These financial statements comply with the SME-FRS and have been under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(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.

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

2. Significant accounting policies (continued)

(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 income statement.

(f) 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.

(g) 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.

(h) 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).

(i) Revenue recognition

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

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

3. Revenue

Revenue includes income from projects that are accounted for on cash basis.

	<u>2015</u>	<u>2014</u>
	\$	\$
Donations	164,795	84,317
Activities income	975,529	247,945
Grant from the Hong Kong Jockey Club	2,593,738	2,234,900
Grant from Quality Education Fund	51,198	770,736
Grant from Urban Renewal Fund	1,055,142	1,142,319
Project income	271,018	582,076
Other income	15,093	25,500
	<u>5,126,513</u>	<u>5,087,793</u>

4. Surplus from operations

Surplus from operations is stated after charging:-

Auditor's remuneration	14,800	24,800
Executive committee members' emoluments		
- Committee members' fee	-	-
- Salaries and allowance	-	-
Staff cost		
- Salaries	2,932,033	2,879,341
- Mandatory provident fund	124,727	122,197
- Staff benefit	-	7,200
Depreciation	<u>63,766</u>	<u>128,446</u>

5. Income tax expense

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.



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

6. Property, plant and equipment

	<u>Leasehold improvements</u> \$	<u>Furniture and fittings</u> \$	<u>Office equipment</u> \$	<u>Total</u> \$
Cost -				
At 31.12.2014	1,269,098	156,899	893,035	2,319,032
Additions	-	-	-	-
At 31.12.2015	<u>1,269,098</u>	<u>156,899</u>	<u>893,035</u>	<u>2,319,032</u>
Accumulated depreciation -				
At 31.12.2014	1,269,098	156,899	758,114	2,184,111
Charges for the year	-	-	63,766	63,766
At 31.12.2015	<u>1,269,098</u>	<u>156,899</u>	<u>821,880</u>	<u>2,247,877</u>
Net book value -				
At 31.12.2015	<u>-</u>	<u>-</u>	<u>71,155</u>	<u>71,155</u>
At 31.12.2014	<u>-</u>	<u>-</u>	<u>134,921</u>	<u>134,921</u>

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

7. Account receivables

	<u>2015</u> \$	<u>2014</u> \$
Deposit and prepayment	34,193	37,488
Account receivables	-	207,207
Grant receivables	872,374	548,077
	<u>906,567</u>	<u>792,772</u>

8. Account payables

Account payable	<u>265,074</u>	<u>316,653</u>
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9. Amount due to a related Association

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

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

10. Changes in equity

	<u>Accumulated surplus</u>
	<u>\$</u>
Balance at 31 December 2014	1,149,730
Surplus for the year	<u>325,600</u>
Balance at 31 December 2015	<u><u>1,475,330</u></u>

11. Approval of financial statements

These financial statements were authorised for issue by the Association's Executive Committee  
on **29 AUG 2016**