

**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 2012

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 2012.

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 2012 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 8 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
Ho Siu Fong, Betty
Hung Wing Tat
Lai Kwong Tak, Albert
Lam Kin Lai
Leung Ping Wa
So Kwok Yin
Woo Kwok Ping
Yick Wing Fat, Simon
Wu Yim Chung (appointed on 5 February 2013)
Ho Kin Chung, Henry (resigned on 19 December 2012)
Woo Pui Leng (resigned on 1 August 2013)

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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Chairman
Hong Kong, 26th February 2014

**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 2012 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 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.

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, 2nd Floor, Office C, Man Lok Building, Hong Kong.

**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 2012 and of its deficit 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.



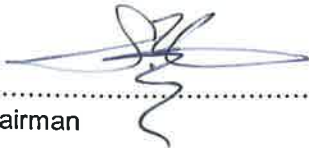
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Albert S. C. Young & Company,
Certified Public Accountants.

Hong Kong, 26th February 2014

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
STATEMENT OF FINANCIAL POSITION at 31st December 2012

	Note	<u>2012</u> \$	<u>2011</u> \$
ASSETS			
Non-current assets			
Property, plant and equipment	8	259,618	564,249
Current assets			
Account receivables	9	443,365	325,427
Cash and cash equivalents	10	53,424	230,432
		496,789	555,859
Current liabilities			
Account payables	11	15,400	50,240
Net current assets		481,389	505,619
Total assets less current liabilities		741,007	1,069,868
Non-current liabilities			
Amount due to a related Association	12	600,000	650,000
Net assets		141,007	419,868
 GENERAL FUND			
Accumulated surplus		141,007	419,868

The financial statements on pages 4 to 12 were approved and authorised for issue by the board of executive committee on 26th February 2014.



 Chairman



 Honorary treasurer

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st December 2012

	Note	<u>2012</u> \$	<u>2011</u> \$
Turnover	5	2,813,525	1,926,370
Expenditure			
Administrative expenses		(2,666,079)	(2,050,189)
Projects		(426,307)	(254,000)
(Deficit) from operations	6	<u>(278,861)</u>	<u>(377,819)</u>
Waiver of amount due to a related Association		-	1,150,000
Bank interest income		-	1
(Deficit)/surplus for the year		<u>(278,861)</u>	<u>772,182</u>
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u><u>(278,861)</u></u>	<u><u>772,182</u></u>

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31st December 2012

	<u>Accumulated surplus/(deficit)</u> \$
Balance at 31.12.2010	(352,314)
Total comprehensive income for the year	772,182
Balance at 31.12.2011	<u>419,868</u>
Total comprehensive (loss) for the year	(278,861)
Balance at 31.12.2012	<u><u>141,007</u></u>

THE CONSERVANCY ASSOCIATION CENTRE FOR HERITAGE LIMITED
STATEMENT OF CASH FLOWS
For the year ended 31st December 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
Cash flows from operating activities		
(Deficit)/surplus for the year	(278,861)	772,182
Adjustments for:		
Depreciation	316,681	419,389
Bank interest income	-	(1)
Operating cash flows before movements in working capital	<u>37,820</u>	<u>1,191,570</u>
(Increase) in account receivables	(117,938)	(70,127)
(Decrease)/increase in account payables	(34,840)	48,740
(Decrease) in amount due to a related Association	(50,000)	(1,100,000)
Net cash (used in)/generated from operating activities	<u>(164,958)</u>	<u>70,183</u>
Cash flows from investing activities		
Bank interest income	-	1
Purchase of fixed assets	(12,050)	-
Net cash (used in)/generated from investing activities	<u>(12,050)</u>	<u>1</u>
Net (decrease)/increase in cash and cash equivalents	(177,008)	70,184
Cash and cash equivalents at beginning of year	<u>230,432</u>	<u>160,248</u>
Cash and cash equivalents at end of year	<u><u>53,424</u></u>	<u><u>230,432</u></u>
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	<u><u>53,424</u></u>	<u><u>230,432</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 issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

(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.

5. Turnover

Income comprises income from projects are accounted for on accrual basis.

	<u>2012</u>	<u>2011</u>
	\$	\$
Donations	66,884	46,269
Subsidies from the Hong Kong Jockey Club	1,496,126	752,736
Subsidies from Quality Education Fund	783,059	793,500
Project income	454,546	330,301
Other income	12,910	3,564
	<u>2,813,525</u>	<u>1,926,370</u>

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

6. (Deficit) from operations

	<u>2012</u>	<u>2011</u>
	\$	\$
(Deficit) from operations is stated after charging:-		
Auditor's remuneration	-	-
Executive committee members' emoluments		
- Committee members' fee	-	-
- Salaries and allowance	-	-
Staff cost		
- Salaries	1,845,421	1,308,794
- Mandatory provident fund	76,586	49,025
- Staff benefit	3,738	91,762
Depreciation	316,681	419,389
	316,681	419,389

7. 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.

8. Property, plant and equipment

	<u>Leasehold improvements</u>	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>Total</u>
	\$	\$	\$	\$
Cost -				
At 31.12.2011	1,269,098	144,898	682,954	2,096,950
Additions	-	-	12,050	12,050
At 31.12.2012	1,269,098	144,898	695,004	2,109,000
Accumulated depreciation -				
At 31.12.2011	969,982	91,504	471,215	1,532,701
Charges for the year	204,076	25,220	87,385	316,681
At 31.12.2012	1,174,058	116,724	558,600	1,849,382
Net book value -				
At 31.12.2012	95,040	28,174	136,404	259,618
At 31.12.2011	299,116	53,394	211,739	564,249

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

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

9. Account receivables

	<u>2012</u>	<u>2011</u>
	\$	\$
Deposit and prepayment	18,524	18,524
Account receivables	31,381	96,834
Subsidies receivables	393,460	210,069
	<u>443,365</u>	<u>325,427</u>

10. Cash and cash equivalents

Cash at bank and in hand	<u>53,424</u>	<u>230,432</u>
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11. Account payables

Account payable	<u>15,400</u>	<u>50,240</u>
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12. Amount due to a related Association

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

13. 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.