

**ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

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## **ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**

### **REPORT OF THE DIRECTORS**

The directors of Accounting Development Foundation Limited (‘the Foundation’) present their annual report and the audited financial statements for the year ended 30 April 2019.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Foundation are to promote unity and sharing among members in the accounting profession and to provide a forum for the exchange of ideas and experiences by organizing meetings, conventions, seminars, courses, study trips, conferences and exhibitions and other forms of media for the members and the general public.

During the year, the Foundation adopted a trade name “Accounting Development Foundation” to carry out its operation.

### **FINANCIAL STATEMENTS**

The results of the Foundation for the year ended 30 April 2019 and the state of the Foundation’s affairs as at 30 April 2019 are set out in the accompanying financial statements.

### **CHANGE IN FUND**

Details of movements in the fund of the Foundation during the year are set out in the statement of changes in fund on Page 8.

### **DIRECTORS**

The directors of the Foundation who held office during the year and up to the date of this report were:

Chow Ka Leung Louis

Fan Vickie Ping Wai

Lam Chi Yuen Nelson

Ng Kam Wah Webster

Poon Kwok Ching

Poon Tsun Wah Gary

Tsui Wing Tak

Yeung Chi Wai

Yuen Siu Bun Edward

(appointed on 20 September 2019)

Yung Kin

(retired on 21 February 2019)

In accordance with the Foundation’s Articles of Association, the term of office of director shall be two years and shall retire biyearly by rotation. A retiring director shall be eligible for re-election.

## **DIRECTORS – CONT'D**

In accordance with the Foundation's Articles of Association, the following directors shall retire from office and be eligible for re-election in the forthcoming Annual General Meeting:-

Lam Chi Yuen Nelson  
Poon Tsun Wah Gary

## **PERMITTED INDEMNITY PROVISION**

There was no permitted indemnity provision in force for the benefit of directors of the Foundation during the year.

## **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Foundation were entered into or existing during the year.

## **AUDITOR**

The financial statements for the year have been audited by Messrs. C. F. Chu & Co., Certified Public Accountants.

A resolution will be submitted to the members at the annual general meeting to re-appoint Messrs. C. F. Chu. & Co., Certified Public Accountants, as auditors of the Foundation for the ensuing year.

On Behalf of the Board

Chow Ka Leung, Louis [Signed]  
Director

Date 6 November 2019

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**  
(Incorporated in Hong Kong with limited liability by guarantee)

**Opinion**

We have audited the financial statements of Accounting Development Foundation Limited (“the Foundation”) set out on pages 6 to 15, which comprise the statement of financial position as at 30 April 2019, and the income statement and statement of changes in funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Foundation are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard (“SME-FRS”) 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 (“HKSA”) and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the directors’ report, but does not include the financial statements and our auditor’s report thereon.

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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**  
(Incorporated in Hong Kong with limited liability by guarantee)

**Responsibilities of Directors for the Financial Statements**

The directors are responsible for the preparation of the financial statements in accordance with SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors 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 directors are responsible for assessing the Foundation'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 directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Foundation's financial reporting process.

**Auditor's 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 auditor's 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 (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.

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 AUDITOR'S REPORT**  
**TO THE MEMBERS OF ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**  
(Incorporated in Hong Kong with limited liability by guarantee)

**Auditor's Responsibilities for the Audit of the Financial Statements – Cont'd**

- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

We communicate with the directors 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.

C. F. Chu & Co.  
Certified Public Accountants  
19th Floor,  
On Hong Commercial Building,  
145 Hennessy Road,  
Wanchai, Hong Kong

**ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 APRIL 2019**

	NOTE	2019 HK\$	2018 HK\$
<b>REVENUE</b>			
Seminar and event fee		1,224,830	1,349,973
Study tour fee		16,840	94,800
Bank interest received		1,284	673
		<u>1,242,954</u>	<u>1,445,446</u>
<b>EXPENDITURE</b>			
Audit fee		6,000	6,000
Bank charge		50,580	43,918
Business registration and licence fee		2,896	2,896
Broadcasting charges		22,750	31,278
Computer expenses		-	699
Depreciation		3,896	3,571
Donation		21,000	21,000
Donation for 10th anniversary		91,530	-
10th anniversary event expenses		25,911	-
Insurance		8,665	7,886
MPF contribution		14,706	14,450
Meeting expenses		-	461
Printing and stationery		19,444	2,390
Photofinishing		19,000	-
Repair and maintenance		-	350
Seminar expenses		484,525	477,001
Sponsorship		10,000	20,000
Staff salary		287,627	322,998
Study tour fee		17,800	97,420
Sundry expenses		-	3,652
Telephone, internet and hosting fee		1,080	8,198
Website design and development fee		4,200	4,200
		<u>1,091,610</u>	<u>1,068,368</u>
<b>SURPLUS BEFORE TAXATION</b>		151,344	377,078
<b>INCOME TAX EXPENSE</b>	5	<u>(20,252)</u>	<u>(383)</u>
<b>SURPLUS FOR THE YEAR</b>		<u>131,092</u>	<u>376,695</u>

**STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2019**

	<b>NOTE</b>	<b>2019 HK\$</b>	<b>2018 HK\$</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	4,221	8,117
<b>CURRENT ASSETS</b>			
Payment in advance and other deposits		-	72,859
Seminar fee and other receivable		192,070	130,600
Tax recoverable		6,483	25,335
Cash and bank balances		1,607,290	1,244,268
		<u>1,805,843</u>	<u>1,473,062</u>
<b>CURRENT LIABILITIES</b>			
Accruals		119,579	13,316
Donation payable		91,530	-
		<u>211,109</u>	<u>13,316</u>
<b>NET CURRENT ASSETS</b>		1,594,734	1,459,746
<b>NET ASSETS</b>		<u>1,598,955</u>	<u>1,467,863</u>
Represented by:			
<b>GENERAL FUND</b>		<u>1,598,955</u>	<u>1,467,863</u>

Approved and authorised for issue by the board of directors on 6 November 2019

Chow Ka Leung Louis [Signed]  
DirectorYeung Chi Wai [Signed]  
Director



**ACCOUNTING DEVELOPMENT FOUNDATION LIMITED  
STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 30 APRIL 2019**

	<b>General Fund</b>
	<b>HK\$</b>
<b>Balance at 30 April 2017</b>	1,091,168
Surplus for the year	<u>376,695</u>
<b>Balance at 30 April 2018</b>	1,467,863
Surplus for the year	<u>131,092</u>
<b>Balance at 30 April 2019</b>	<u>1,598,955</u>

**ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

**1. GENERAL INFORMATION**

- (a) The Foundation was incorporated under the Laws of Hong Kong with limited liability by guarantee on 25 May 2009. The address of its registered office and principal place of business during the year were located at Room 1801-02, 18/F., Tung Wah Mansion, 199-203 Hennessy Road, Wan Chai, Hong Kong. Effective from 15 October 2019, the address of its registered office and principal place of business are located at Room B, 16/F., Kiu Fu Commercial Building, 300-306 Lockhart Road, Wanchai.

The Foundation is a private and non-profit making organization. The principal activities of the Foundation are to promote unity and sharing among members in the accounting profession and to provide a forum for the exchange of ideas and experiences by organizing meetings, conventions, seminars, courses, study trips, conferences and exhibitions and other forms of media for the members and the general public.

- (b) The liability of the members is limited under the Foundation's Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the Foundation, in the event of its being wound up for an amount not exceeding HK\$100.

**2. BASIS OF PREPARATION**

The Foundation qualifies for reporting exemption as a small guarantee company under Section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The Foundation 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.

These financial statements comply with the SME-FRS and have been prepared under the accruals basis of accounting and on the basis that the Foundation is a going concern. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance.

The measurement base adopted is the historical cost convention.

**3. TRANSITION TO THE SMALL AND MEDIUM-SIZED ENTITY FINANCIAL REPORT STANDARD ("SME-FRS")**

The Foundation's financial statements for the year ended 30 April 2019 are prepared under accounting policies that comply with the SME-FRS. The Foundation applied full Hong Kong Financial Reporting Standards ("HKFRSs") in previous years. The above change represents change in accounting policy which are applied retrospectively.

The adoption of the relevant SME-FRS does not have any significant effect on the financial results and financial position of the Foundation for current and prior period as the relevant accounting principles and policies under SME-FRS adopted for current year have no effect on the accounting transactions that had been accounted for under HKFRSs in previous years. Accordingly, no prior year adjustment on the financial statements has been made other than those changes in some terminologies and presentations.

### **3. TRANSITION TO THE SMALL AND MEDIUM-SIZED ENTITY FINANCIAL REPORT STANDARD (“SME-FRS”) – CONT’D**

Compared to the HKFRSs in previous years, certain terminologies and presentations on the financial statements have been changed as follows:-

- (a) The Statement of Profit or Loss and Other Comprehensive Income is renamed as “Income Statement”.
- (b) No “Statement of Cash Flows” has been prepared under SME-FRS while there was “Statement of Cash Flows” prepared under HKFRSs in previous years.
- (c) There is no deferred tax recognised under SME-FRS and accordingly, the accounting policy and disclosure for deferred tax prepared under HKFRSs in previous years has been eliminated.
- (d) The disclosures for Financial Instruments and Financial Risk Management Objectives and Policies under HKFRSs in previous years has been eliminated as there is no such disclosure required under SME-FRS.

### **4. PRINCIPAL ACCOUNTING POLICIES**

- (a) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of plant and equipment are calculated to allocate the cost of assets less their residual values, if any, over their estimated useful lives on a straight line basis. The principal annual rates used for this purpose are as follows:-

Office equipment	over 3 years
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- (b) 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 terms of property, plant and 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 income statement. A previously recognised impairment loss is reversed only if there has been a change in 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.

#### 4. PRINCIPAL ACCOUNTING POLICIES – CONT'D

(c) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Foundation are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(d) Trade and other receivable

Trade and other 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.

(e) Trade and other payable

Trade and other payable are stated at their original invoice amount or cost.

(f) Employee benefits

(i.) Salaries and other costs of benefits are accrued and recognised as an expense in the year in which the associated services are rendered by employees of the Foundation.

(ii.) Contributions to Mandatory Provident Funds (MPF) as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the income statement as incurred.

(g) Recognition of revenue

Revenue is recognised when it is probable that economic benefits will flow to the Foundation and when the revenue can be measured reliably on the following bases:

- i. Seminars, events and study tour fee are recognized when the seminars and events are conducted, and cash is certain for receivable.
- ii. Interest income is recognised on time proportion bases taking into account the principal outstanding and the interest applicable.

#### 4. PRINCIPAL ACCOUNTING POLICIES – CONT'D

##### (h) Related party transactions

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.) is a member of the key management personnel of the Foundation or of a parent of the Foundation;
- (2.) has control over the Foundation; or
- (3.) has joint control or significant influence over the reporting entity or has significant voting power in it.

(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.) either entity is an associate or joint venture of the other entity (or 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.) either 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 reporting entity 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 voting power in the entity.

(iii.) A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

##### (i) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

#### 4. PRINCIPAL ACCOUNTING POLICIES – CONT'D

##### (j) Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Foundation expects an outflow of resources to be reimbursed, the reimbursement is recognised as a separate asset when the reimbursement is virtually certain.

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 benefit is remote.

#### 5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided in the financial statements at the rate of 8.25% on the estimated assessable profits for the year under the two-tiered profits tax rates regime. (2018: Same)

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
Provision for the year	20,252	30,383
Add: Tax concession for 2017/18	-	(30,000)
Income tax expense	<u>20,252</u>	<u>383</u>

#### 6. PLANT AND EQUIPMENT

	Office equipment HK\$
At Cost	
At 30.4.2018	27,828
Additions	-
At 30.4.2019	<u>27,828</u>
Aggregate depreciation	
At 30.4.2018	19,711
Charge for the year	3,896
At 30.4.2019	<u>23,607</u>
Net Book Value	
At 30.4.2019	<u>4,221</u>
At 30.4.2018	<u>8,117</u>

## 7. DIRECTORS' REMUNERATION AND OTHER MATTERS RELATING TO DIRECTORS

### (a) Directors' remuneration

Remuneration of the directors disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance is as follows: -

	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
Fees	-	-
Other emoluments -Salaries	-	-
-MPF contribution	-	-
-Benefits other than in cash	-	-
-Discretionary bonuses	-	-
-Retirement benefits	-	-
and others	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

- (b) There were no payments made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity while directors during the year.
- (c) There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and other connected entities made during the year.
- (d) There were no consideration provided to or receivable by third parties for making available the services of a person as director or in any other capacity while director during the year.

## 8. ADOPTION OF TRADE NAME

During the year, the Foundation adopted a trade name "Accounting Development Foundation" to carry out its operation.

## 9. RELATED PARTY TRANSACTIONS

During the year, the administrative office and the address of registered office of the Foundation have been centralised and located to Room 1801-02, 18/F., Tung Wah Mansion, 199-203 Hennessy Road, Wan Chai, Hong Kong, which is provided by an entity on a complimentary basis without any reimbursement of rental and administrative expenses. The director, Mr Lam Chi Yuen Nelson, has control over this entity.

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Foundation had no other material related party transactions during the year, except for the income received by the Foundation in the ordinary course of business, such as seminars and study tour fee from the directors.

## **10. COMPARATIVE FIGURES**

As a result of the first time adoption of SME-FRS as stated in Note 3 to the financial statements, certain comparative figures have been reclassified to conform with the current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in current year.