

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

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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 2016.

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 2016 and the state of the Foundation’s affairs as at 30 April 2016 are set out in the accompanying financial statements.

BUSINESS REVIEW

The Foundation falls within the reporting exemption for the financial year in preparing the business review as the Foundation is qualified as a small guarantee company in accordance with the Hong Kong Companies Ordinance.

CHARITABLE DONATIONS

Charitable donations of HK\$35,741 (2015: HK\$24,320) were made by the Foundation during the year.

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	
Poon Kwok Ching	
Poon Tsun Wah Gary	(appointed on 15 January 2016)
Shui Cheuk Ting	(retired on 15 January 2016)
Tsui Wing Tak	
Yeung Chi Wai	
Yuen Tsui Shan	(retired on 15 January 2016)
Yung Kin	

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.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

REPORT OF THE DIRECTORS

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 next Annual General Meeting:-

Chow Ka Leung Louis
Fan Vickie Ping Wai
Poon Kwok Ching
Tsui Wing Tak
Yeung Chi Wai
Yung Kin

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

LAM Chi Yuen Nelson [Signed]
Director
Date: 12 Dec 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**

(Incorporated in Hong Kong with limited liability by guarantee)

We have audited the financial statements of Accounting Development Foundation Limited ('the Foundation') set out on pages 5 to 20, which comprise the statement of financial position as at 30 April 2016, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of the 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 directors 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. 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.

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 the 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 directors, 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.

C.F. Chu & Co.

Certified Public Accountants Hong Kong

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**

(Incorporated in Hong Kong with limited liability 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 April 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.

C. F. Chu & Co.
Certified Public Accountants
19/F., On Hong Commercial Building
145 Hennessy Road, Wanchai
Hong Kong
12 Dec 2016

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2016

	NOTE	2016 HK\$	2015 HK\$
REVENUE			
Seminar and event fee		1,787,270	893,600
Study tour fee		97,218	104,028
Bank interest received		46	46
		<u>1,884,534</u>	<u>997,674</u>
EXPENDITURE			
Audit fee		5,000	5,000
Bank charge		63,918	39,524
Business registration and licence fee		2,896	2,896
Broadcasting charges		31,896	26,820
Computer expenses		689	1,700
Depreciation		2,913	2,913
Donation		35,741	24,320
Insurance		11,933	13,016
MPF contribution		21,525	28,750
Meeting expenses		3,160	-
Printing and stationery		1,224	492
Seminar expenses		578,291	311,945
Staff salary		478,750	633,000
Study tour fee		97,487	104,101
Sundry expenses		21,400	857
Telephone, internet and hosting fee		7,139	7,321
Website design and development fee		21,400	4,200
		<u>1,385,362</u>	<u>1,206,855</u>
SURPLUS / (DEFICIT) BEFORE TAX		499,172	(209,181)
INCOME TAX (EXPENSE) / CREDIT	4	<u>(52,807)</u>	<u>20,001</u>
SURPLUS / (DEFICIT) FOR THE YEAR		446,365	(189,180)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
SURPLUS / (DEFICIT) AND TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		<u><u>446,365</u></u>	<u><u>(189,180)</u></u>

The annex notes form an integral part of these financial statements.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2016

	NOTE	2016 HK\$	2015 HK\$
NON-CURRENT ASSETS			
Plant and equipment	5	2,428	5,341
CURRENT ASSETS			
Payment in advance and other deposits		19,844	80,903
Seminar fee receivable		84,200	500
Cash and bank balances		801,206	370,740
		905,250	452,143
CURRENT LIABILITIES			
Accruals		40,535	6,713
Receipt in advance		2,200	29,600
Provision for taxation		14,937	17,530
		57,672	53,843
NET CURRENT ASSETS		847,578	398,300
NET ASSETS		850,006	403,641
Represented by:			
GENERAL FUND		850,006	403,641

Approved and authorised for issue by the board of directors on 12 Dec 2016

LAM Chi Yuen Nelson [Signed]
 Director

CHOW Ka Leung Louis [Signed]
 Director

The annex notes form an integral part of these financial statements.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 APRIL 2016

	General Fund
	HK\$
Balance at 30 April 2014	592,821
Deficit and total comprehensive loss for the year	<u>(189,180)</u>
Balance at 30 April 2015	403,641
Surplus and total comprehensive income for the year	<u>446,365</u>
Balance at 30 April 2016	<u><u>850,006</u></u>

The annex notes form an integral part of these financial statements.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2016

	2016	2015
	HK\$	HK\$
Cash flows from operating activities		
Surplus / (Deficit) before taxation	499,172	(209,181)
Adjustments for:		
Bank interest received	(46)	(46)
Depreciation	2,913	2,913
	<hr/>	<hr/>
Operating cash flows before working capital changes	502,039	(206,314)
Decrease / (Increase) in payment in advance and other deposits	61,059	(43,183)
(Increase) / Decrease in seminar fee receivable	(83,700)	56,200
(Decrease) / Increase in receipt in advance	(27,400)	26,900
Increase / (Decrease) in accruals	33,822	(1,087)
	<hr/>	<hr/>
Cash generated from / (used in) operating activities	485,820	(167,484)
Hong Kong profits tax (paid) / refunded	(55,400)	42,351
	<hr/>	<hr/>
Net cash generated / (used in) from operating activities	430,420	(125,133)
Cash flows from financing activities		
Bank interest received	46	46
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	430,466	(125,087)
Cash and cash equivalents at the beginning of the year	370,740	495,827
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>801,206</u>	<u>370,740</u>

The annex notes form an integral part of these financial statements.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

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 are located at Room 1801-02, 18/F., Tung Wah Mansion, 199-203 Hennessy Road, Wan Chai, Hong Kong.

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. STATEMENT OF COMPLIANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS

The Foundation's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), which 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 in note 3.

The adoption of amendments to HKFRSs / revised HKFRSs

In the current year, the following amendments to HKFRSs / revised HKFRSs issued by the HKICPA, which are first effective for the Foundation's financial year beginning on 1 May 2015 that may be relevant to the Foundation's operation:-

Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the new and revised HKFRSs has no material effects on the Foundation's financial performance and positions.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The measurement basis used in preparing the financial statements is historical cost.

The preparation of financial statements in conformity with HKFRS 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 believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumption continuously, the actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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. However, the management has not made any judgement in the application of HKFRSs that have significant effect on the financial statements nor any estimates with a significant risk of material adjustment on the carrying amounts of assets and liabilities within the next financial year.

(b) Plant and equipment

Plant and equipment represent office equipment and are stated in the statement of financial position at cost less aggregate depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of office equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:

Office equipment	over 3 years
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The residual value and the useful life of an asset are reviewed at least at each financial year-end.

The Foundation assesses at each reporting date whether there is any indication that any items of office equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the Foundation estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in profit or loss.

Gain or loss arising from the derecognition of an item of office equipment is included in profit or loss when the item is derecognized and is determined as the difference between the net disposal proceed, if any, and the carrying amount of the item.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(c) Income tax

Income tax for the year includes current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised directly in equity. In the case if the tax relates to items that are recognised directly to equity, current tax and deferred tax are also recognised directly to equity.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for a period.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively. Temporary differences are the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

At each reporting date, the Foundation reviews and assesses the recognised and unrecognised deferred tax assets and the future taxable profit to determine whether any recognised deferred tax assets should be derecognised and any unrecognised deferred tax assets should be recognized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(d) Revenue recognition

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

Seminars, events and study tour fee are recognized when the seminars and events are conducted, and cash is certain for receivable.

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Foundation. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Foundation at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in fixed asset, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

(f) Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortized cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and
- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(f) Trade and other receivables – cont'd

At each reporting date, the Foundation assesses whether there is any objective evidence that a receivable or group of receivables is impaired. Impairment losses on trade and other receivables are recognized in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(g) Trade and other payables

Trade and other 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) 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 with original maturities of three months or less.

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

(i) 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.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

3. SIGNIFICANT ACCOUNTING POLICIES – CONT'D

(j) Related parties

- (a) A person or a close member of that person's family is related to the Foundation if that person:
 - (i) has control or joint control over the Foundation;
 - (ii) has significant influence over the Foundation; or
 - (iii) is a member of the key management personnel of the Foundation or of a parent of the Foundation.
- (b) An entity is related to the Foundation if any of the following conditions applies:
 - (i) 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).
 - (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 Foundation or an entity related to the Foundation.
 - (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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Foundation or to the parent of the Foundation.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

4. INCOME TAX EXPENSE / (CREDIT)

	2016	2015
	HK\$	HK\$
Taxation in the statement of profit or loss and other comprehensive income represents:		
<i>Current tax – Hong Kong profits tax</i>		
Provision for the year is calculated at 16.5% of the estimated assessable profits for the year after setting off available loss brought forward. No provision for last year as the Foundation had no assessable profit for that year.	52,807	-
Tax reduction for 2014/15	-	(20,000)
Tax over-provided in previous year	-	(1)
Tax expense / (credit)	<u>52,807</u>	<u>(20,001)</u>

Reconciliation between tax expense / (credit) and accounting surplus / (deficit) at applicable tax rate:

Surplus / (Deficit) before tax	<u>499,172</u>	<u>(209,181)</u>
Tax expense / (credit) at the applicable tax rate of 16.5% (2015:16.5%)	82,363	(34,515)
Tax effect of non-taxable revenue	(7)	(7)
Tax effect of non-deductible expense	-	4,013
Tax effect on utilisation of tax loss not recognised previously	(30,029)	-
Tax effect of tax losses not recognised	-	30,029
Tax effect of unprovided taxable temporary difference	480	480
Tax reduction for 2014/15	-	(20,000)
Tax over-provided in previous year	-	(1)
Tax expense / (credit)	<u>52,807</u>	<u>(20,001)</u>

No provision for deferred tax has been made in the financial statements as the amount involved is immaterial. The component of deferred tax (income) / expense not provided for in the statement of profit or loss and other comprehensive income for the year are as follows:-

Temporary differences on loss as adjusted for tax purposes	30,029	(30,029)
Temporary differences arising from accelerated depreciation	(480)	(480)
	<u>29,549</u>	<u>(30,509)</u>

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

4. INCOME TAX EXPENSE / (CREDIT) – CONT'D

The component of deferred tax assets / (liabilities) not provided in the statement of financial position are as follows:-

	Accelerated capital allowance HK\$	Loss as adjusted for tax purpose HK\$	Total HK\$
At 30 April 2014	(1,362)	-	(1,362)
Deferred tax expense not recognised	480	30,029	30,509
At 30 April 2015	(882)	30,029	29,147
Deferred tax income / (expense) not recognised	480	(30,029)	(29,549)
At 30 April 2016	(402)	-	(402)

5. PLANT AND EQUIPMENT

	Office equipment HK\$
At Cost	
At 30.4.2015	16,140
Additions	-
At 30.4.2016	16,140
Aggregate depreciation	
At 30.4.2015	10,799
Charge for the year	2,913
At 30.4.2016	13,712
Net Book Value	
At 30.4.2016	2,428
At 30.4.2015	5,341

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

6. EMOLUMENTS 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: -

	2016	2015
	HK\$	HK\$
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) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Foundation that were entered into or subsisted during the year (2015: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

The directors were of the opinion that no transactions, arrangements and contracts of significance in relation to the Foundation's business to which the Foundation was a party and in which a director of the Foundation had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: Nil).

(d) Guarantees to banks for loans granted to directors of the Foundation

The Foundation had not paid or incurred any liability for the purpose of fulfilling the guarantee or discharging the security given to banks for loans granted to the directors (2015: Nil).

(e) 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 (2015: Nil).

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation has classified its financial assets in the following categories:

	<u>Loans and receivables</u> HK\$	<u>Total</u> HK\$
<u>2016</u>		
Payment in advance and other deposits	19,844	19,844
Seminar fee receivable	84,200	84,200
Cash and bank balances	801,206	801,206
	<u>905,250</u>	<u>905,250</u>
<u>2015</u>		
Payment in advance and other deposits	80,903	80,903
Seminar fee receivable	500	500
Cash and bank balances	370,740	370,740
	<u>452,143</u>	<u>452,143</u>

The Foundation has classified its financial liabilities in the following categories:

	<u>Financial liabilities at amortised cost</u> HK\$	<u>Total</u> HK\$
<u>2016</u>		
Receipt in advance	2,200	2,200
Accruals	40,535	40,535
	<u>42,735</u>	<u>42,735</u>
<u>2015</u>		
Receipt in advance	29,600	29,600
Accruals	6,713	6,713
	<u>36,313</u>	<u>36,313</u>

All the financial instruments are carried at amounts not materially different from their fair value as at 30 April 2016 and 30 April 2015.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES – CONT'D

The Foundation is exposed to credit risk and liquidity risk arising in the normal course of its business and financial instruments. The Foundation's risk management objectives policies and processes mainly focus on minimizing the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

(a) Credit Risk

The Foundation is exposed to credit risk on financial assets, mainly attributable to deposits with bank. As the bank is an authorized financial institution in Hong Kong, the credit risk is considered very low.

<u>Summary quantitative data</u>	2016	2015
	HK\$	HK\$
Deposit with bank	793,206	362,740
Cash on hand	8,000	8,000
	<u>801,206</u>	<u>370,740</u>

At 30 April 2016, there was no financial asset that was past due.

(b) Liquidity Risk

The Foundation's policy is to regularly monitor current and expected liquidity requirements and to ensure it maintains sufficient amount of cash to meet its liquidity requirements in the short and longer term.

<u>Summary quantitative data</u>		
Accruals	<u>40,535</u>	<u>6,713</u>

The financial liabilities have no fixed maturity date and they are expected to be settled within one year.

8. ADOPTION OF TRADE NAME

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

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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

Certain comparative figures have been reclassified to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2016.

11. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR

HKFRSs that have been issued but are not yet effective for the year include the following HKFRSs which may be relevant to the Foundation's operations and financial statements:

	<u>Effective for annual periods beginning on or after</u>
<i>Annual improvements to HKFRSs 2012-2014 cycle</i>	1 January 2016
<i>Amendments to HKAS 1, Disclosure Initiative</i>	1 January 2016
<i>Amendments to HKAS 16 and HKAS 38, Clarification of acceptable methods of depreciation and amortisation</i>	1 January 2016
<i>HKFRS 9, Financial instruments</i>	1 January 2018
<i>HKFRS 15, Revenue from contracts with customers</i>	1 January 2018

The Foundation has not early adopted these HKFRSs. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the Foundation's financial statements in the year of initial application. The Foundation will be continuing with the assessment of the impact of these HKFRSs and other significant changes may be identified as a result.