

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2014

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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 2014.

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” and “Accounting Resources Centre” to carry out its operation.

FINANCIAL STATEMENTS

The results of the Foundation for the year ended 30 April 2014 and the state of affairs of the Foundation as at 30 April 2014 are set out in the accompanying financial statements.

CHARITABLE DONATIONS

Charitable donations of HK\$50,600 (2013: \$ Nil) were made by the Foundation during the year.

FIXED ASSETS

Movements in fixed assets are set out in note 6 to the financial statements.

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
Shui Cheuk Ting
Tsui Wing Tak
Yeung Chi Wai
Yuen Siu Bun Edward
Yuen Tsui Shan
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 coming Annual General Meeting:-

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

DIRECTORS' INTERESTS

No contracts of significance to which the Foundation was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time 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]
Chairman
Date: 27 Aug 2014

**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 2014, 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 predecessor Hong Kong Companies Ordinance, Cap 32, 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 141 of the predecessor Hong Kong Companies Ordinance, Cap 32, 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.

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)

Auditor's responsibility – cont'd

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 give a true and fair view of the state of the Foundation's affairs as at 30 April 2014 and of its result and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the predecessor Hong Kong Companies Ordinance, Cap 32.

[Signed]

C. F. Chu & Co.
Certified Public Accountants
19/F., On Hong Commercial Building
145 Hennessy Road, Wanchai
Hong Kong
27 Aug 2014

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2014

	NOTE	2014 HK\$	2013 HK\$
INCOME			
Seminars, events and study tour fee		1,366,463	672,458
OTHER INCOME			
Bank interest received		41	24
Sundry income		329	-
		<u>1,366,833</u>	<u>672,482</u>
EXPENDITURE			
Administrative and support fee	4	-	138,100
Audit fee		5,000	5,000
Bank charge		26,564	518
Business registration and licence fee		1,150	900
Broadcasting charges		26,322	29,823
Computer expenses		1,850	-
Depreciation		1,719	2,467
Donation		50,600	-
Insurance		12,316	9,396
MPF contribution		25,100	8,300
Printing and stationery		3,510	2,059
Seminar expenses		284,935	209,933
Staff salary		564,000	166,000
Study tour fee		78,804	66,466
Speaker and other service fee		6,432	17,398
Sundry expenses		2,499	1,727
Telephone, internet and hosting fee		7,851	5,939
Website design and development fee		31,600	12,960
		<u>1,130,252</u>	<u>676,986</u>
SURPLUS / (DEFICIT) BEFORE TAX		<u>236,581</u>	<u>(4,504)</u>
INCOME TAX (EXPENSE) / CREDIT	5	<u>(27,530)</u>	<u>12,000</u>
SURPLUS AFTER TAX		209,051	7,496
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>209,051</u>	<u>7,496</u>

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

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2014

	NOTE	2014 HK\$	2013 HK\$
NON-CURRENT ASSETS			
Fixed assets - office equipment	6	8,254	1,233
CURRENT ASSETS			
Payment in advance and other deposits		37,720	47,938
Seminar fee receivable		56,700	-
Tax recoverable		4,820	-
Cash and bank balances		495,827	353,809
		595,067	401,747
CURRENT LIABILITIES			
Accruals		7,800	5,000
Receipt in advance		2,700	-
Temporary receipt		-	100
Provision for taxation		-	14,110
		10,500	19,210
NET CURRENT ASSETS		584,567	382,537
NET ASSETS		592,821	383,770
FUNDS			
General fund		592,821	383,770

Approved and authorised for issue by the directors on 27 Aug 2014

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 2014**

	General fund
	HK\$
Balance at 30 April 2012	376,274
Surplus and total comprehensive income for the year	<u>7,496</u>
Balance at 30 April 2013	383,770
Surplus and total comprehensive income for the year	<u>209,051</u>
Balance at 30 April 2014	<u><u>592,821</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 2014

	2014	2013
	HK\$	HK\$
Cash flows from operating activities		
Surplus / (Deficit) before taxation	236,581	(4,504)
Adjustments for:		
Bank interest received	(41)	(24)
Depreciation	1,719	2,467
Operating cash flows before working capital changes	<u>238,259</u>	<u>(2,061)</u>
Decrease in payment in advance and other deposits	10,218	1,987
Increase in seminar fee receivable	(56,700)	-
(Decrease) / Increase in temporary receipt	(100)	100
Increase in receipt in advance	2,700	-
Increase / (Decrease) in accruals	2,800	(12,256)
Cash generated / (used in) from operating activities	197,177	(12,230)
Hong Kong profits tax (paid) / refunded	(46,460)	12,000
Net cash generated / (used in) from operating activities	<u>150,717</u>	<u>(230)</u>
Cash flows from investing activities		
Purchase of office equipment	(8,740)	-
Cash flows from financing activities		
Bank interest received	41	24
Net increase / (decrease) in cash and cash equivalents	142,018	(206)
Cash and cash equivalents at the beginning of the year	<u>353,809</u>	<u>354,015</u>
Cash and cash equivalents at the end of the year	<u><u>495,827</u></u>	<u><u>353,809</u></u>
Analysis of cash and cash equivalents:		
Cash and bank balances	<u><u>495,827</u></u>	<u><u>353,809</u></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 2014

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 predecessor Hong Kong Companies Ordinance, Cap 32. A summary of the significant accounting policies adopted by the Foundation is set out in note 3.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

2. STATEMENT OF COMPLIANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS – cont'd

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 2013 that may be relevant to the Foundation's operation:-

Amendments to HKAS 1	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
HKAS 19 (revised 2011)	Employee benefits
Amendments to HKFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 13	Fair Value Measurement
Annual Improvements to HKFRSs 2009-2011 Cycle	

The application of the new and revised HKFRSs has no material effects on the Foundation's financial performance and positions except the amendment affect the presentation as discussed below:

Amendments to HKAS 1 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income*

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly.

The Foundation has retrospectively adopted the title “statements of profit or loss and other comprehensive income” as introduced by the amendments in its financial statements for the financial year. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the company's financial position or performance.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

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) Fixed assets

Fixed assets 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

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 2014

3. SIGNIFICANT ACCOUNTING POLICIES - cont'd

(c) 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.

(d) 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.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

3. SIGNIFICANT ACCOUNTING POLICIES - cont'd

(d) Income tax – cont'd

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.

(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 2014

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) 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 2014

3. SIGNIFICANT ACCOUNTING POLICIES - cont'd

(i) 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.

(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).

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

4. ADMINISTRATIVE AND SUPPORT FEE

In 2013, the administrative and support fee of HK\$138,100 represented reimbursement paid to an entity for expenses incurred for secondment of a full-time staff to the Foundation. The reimbursement was on a cost basis without any mark-up.

5. INCOME TAX

	2014	2013
	HK\$	HK\$
Taxation in the statement of 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. No provision for last year as the Foundation had no assessable profit for the year.	37,530	-
Tax reduction for 2011/12	-	(12,000)
Tax reduction for 2012/13	(10,000)	-
Tax expense / (credit)	<u>27,530</u>	<u>(12,000)</u>
Reconciliation between tax expense / (credit) and accounting surplus / (deficit) at applicable tax rate:		
Surplus / (Deficit) before tax	<u>236,581</u>	<u>(4,504)</u>
Tax surplus / (credit) at the applicable tax rate of 16.5% (2013:16.5%)	39,035	(743)
Tax effect of non-deductible revenue	(7)	(4)
Tax effect of tax losses not recognised	(340)	340
Tax effect of unprovided taxable temporary difference	(1,158)	407
Tax reduction for 2011/12	-	(12,000)
Tax reduction for 2012/13	(10,000)	-
Tax expense / (credit)	<u>27,530</u>	<u>(12,000)</u>

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

Temporary differences on loss as adjusted for tax purposes	340	(340)
Temporary differences arising from accelerated depreciation	1,158	(407)
	<u>1,498</u>	<u>(747)</u>

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

5. INCOME TAX - 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 2012	(611)	-	(611)
Deferred tax income not recognised	407	340	747
At 30 April 2013	(204)	340	136
Deferred tax expense not recognised	(1,158)	(340)	(1,498)
At 30 April 2014	(1,362)	-	(1,362)

6. FIXED ASSETS - OFFICE EQUIPMENT

	Office equipment HK\$
At Cost	
At 30.4.2013	7,400
Additions	8,740
At 30.4.2014	16,140
Aggregate depreciation	
At 30.4.2013	6,167
Charge for the year	1,719
At 30.4.2014	7,886
Net Book Value	
At 30.4.2014	8,254
At 30.4.2013	1,233

7. DIRECTORS' REMUNERATION

Remuneration of the directors disclosed pursuant to Section 161 of the predecessor Hong Kong Companies Ordinance, Cap 32 is as follows:-

	2014 HK\$	2013 HK\$
Fees	-	-
Other emoluments -Salaries	-	-
-MPF contribution	-	-
	-	-

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

8. 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>2014</u>		
Payment in advance and other deposits	37,720	37,720
Seminar fee receivable	56,700	56,700
Cash and bank balances	495,827	495,827
	<u>590,247</u>	<u>590,247</u>
<u>2013</u>		
Payment in advance and other deposits	47,938	47,938
Cash and bank balances	353,809	353,809
	<u>401,747</u>	<u>401,747</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>2014</u>		
Receipt in advance	2,700	2,700
Accruals	7,800	7,800
	<u>10,500</u>	<u>10,500</u>
<u>2013</u>		
Temporary receipt	100	100
Accruals	5,000	5,000
	<u>5,100</u>	<u>5,100</u>

All the financial instruments are carried at amounts not materially different from their fair value as at 30 April 2014 and 30 April 2013.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

8. 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>	2014 HK\$	2013 HK\$
Deposit with bank	487,827	345,809
Cash on hand	8,000	8,000
	<u>495,827</u>	<u>353,809</u>

At 30 April 2014, 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>	2014 HK\$	2013 HK\$
Accruals	<u>7,800</u>	<u>5,000</u>

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

9. ADOPTION OF TRADE NAME

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

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

10. 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.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

12. HONG KONG FINANCIAL REPORTING STANDARDS 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>
HKFRS 9 Financial instruments	No mandatory effective date yet
Amendments to HKAS 32 Financial Instruments: <i>Presentation – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to HKAS 36 Impairment of Assets – <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Annual Improvements to HKFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to HKFRSs 2011-2013 Cycle	1 July 2014

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.