

AGE WELLNESS ASSOCIATION LIMITED

長晉會有限公司

**(Incorporated in Hong Kong with Liability Limited by
Guarantee and Not having a Share Capital)**

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

CONTENTS

	<u>Pages</u>
Report of the Directors	1
Independent Auditor's Report	2 - 3
Statement of Financial Position	4
Statement of Income and Expenditure	5
Statement of Changes in Funds	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 10

(EXPRESSED IN HONG KONG DOLLARS)

AGE WELLNESS ASSOCIATION LIMITED 長晉會有限公司
REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of AGE Wellness Association Limited ("the Association") is to provide education and counseling service and to preach the Christian Gospel to the elderly people.

Directors

The directors of the Association during the period and up to the date of this report are as follows:

Hui Chiu Ying
Wu Ting Pang
Chan Mei Ying

In accordance with Article 34 of the Association's Articles of Association, all those directors who have been in office for two years or more shall retire but shall be eligible for re-election.

Auditor

A resolution to reappoint the retiring honorable auditor, Lui & Cheng CPA Limited, will be put at the forthcoming annual general meeting.

For and on Behalf of the Board



Hui Chiu Ying
Chairman
7 September 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AGE WELLNESS ASSOCIATION LIMITED**

(Incorporated in Hong Kong with Liability Limited by Guarantee and Not Having a Share Capital)

Opinion

We have audited the financial statements of Age Wellness Association Limited ("the Association") set out on pages 4 to 10, which comprise the statement of financial position as at 31 December 2016, and the statement of income and accumulated surplus and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by 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 ("HKSAs") 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 Association in accordance with 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.

Information other than the Financial Statements and Auditor's Report thereon

The directors are responsible for the other information. The other information comprises all information included in the directors' report and financial statements, 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.

Responsibilities of Directors and Those Charged with Governance 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 HKFRS for Private Entities issued by 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 Association'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 Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AGE WELLNESS ASSOCIATION LIMITED**

(Incorporated in Hong Kong with Liability Limited by Guarantee and Not Having a Share Capital)

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 HKSA's 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 HKSA's, 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.
- 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 Association'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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.


LUI & CHENG CPA LIMITED
Certified Public Accountants
Hong Kong, 7 September 2017
Cheng Man Kuen, Louisa
Practising Certificate Number: P02953

AGE WELLNESS ASSOCIATION LIMITED 長晉會有限公司
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
Income		
Membership fee	7,858	3,055
Course fee	67,834	23,882
Donation income	300	-
Other income	-	7,000
Bank interest income	<u>3</u>	<u>2</u>
	<u>75,995</u>	<u>33,940</u>
Expenses		
Advertisement	-	500
Bank charges	1,070	850
Business registration fee	2,250	2,250
Course expenses	60,796	17,012
Depreciation	138	138
Management fee	-	5,750
Postage	62	-
Printing and stationery	2,183	35
Rent and rates	11,624	900
Salaries and wages	-	2,600
Sundry expense	1,547	105
Travelling	<u>-</u>	<u>100</u>
Total	<u>79,670</u>	<u>30,240</u>
(Deficit)/Surplus before tax	(3,675)	3,700
Income tax expense	<u>-</u>	<u>69</u>
Net (deficit)/surplus for the year	<u>(3,675)</u>	<u>3,631</u>

AGE WELLNESS ASSOCIATION LIMITED 長晉會有限公司
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Non-current assets			
Property, plant and equipment	7	<u>274</u>	<u>412</u>
Current assets			
Cash and bank balances		<u>45,078</u>	<u>50,635</u>
Current liabilities			
Amounts due to directors	8	30,000	30,000
Deposit received		-	1,120
Other payable		-	900
Provision for taxation		<u>69</u>	<u>69</u>
		<u>30,069</u>	<u>32,089</u>
Net current assets		<u>15,009</u>	<u>18,546</u>
Net assets		<u><u>15,283</u></u>	<u><u>18,958</u></u>
Funds			
Development fund		18,300	18,300
Accumulated (deficit)/surplus		<u>(3,017)</u>	<u>658</u>
		<u><u>15,283</u></u>	<u><u>18,958</u></u>

Approved and authorised for issue by the board of directors on 7 September 2017.



Hui Chiu Ying
Director



Wu Ting Pang
Director

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

AGE WELLNESS ASSOCIATION LIMITED 長晉會有限公司
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Development fund \$	Accumulated Surplus/(deficit) \$	Total \$
Balance at 1 January 2015	18,300	(2,973)	15,327
Surplus for the year	-	3,631	3,631
Balance at 1 January 2016	18,300	658	18,958
Deficit for the year	-	(3,675)	(3,675)
Balance at 31 December 2016	18,300	(3,017)	15,283

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

AGE WELLNESS ASSOCIATION LIMITED 長晉會有限公司
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
Net cash flows from operating activities		
(Deficit)/Surplus for the year before tax	(3,675)	3,700
Adjustment for:		
Depreciation	<u>138</u>	<u>138</u>
Operating (deficit)/surplus before working capital changes	(3,537)	3,838
(Decrease)/Increase in deposit received	(1,120)	1,120
Decrease in other payable	<u>(900)</u>	<u>-</u>
Net cash from operating activities and net (decrease)/increase in cash and cash equivalents	(5,557)	4,958
Cash and cash equivalents at beginning of the year	<u>50,635</u>	<u>45,677</u>
Cash and cash equivalents at end of the year	<u><u>45,078</u></u>	<u><u>50,635</u></u>
Analysis of the balances of cash and cash equivalents		
Cash at banks and in hand	<u><u>45,078</u></u>	<u><u>50,635</u></u>

AGE WELLNESS ASSOCIATION LIMITED 長晉會有限公司
NOTES TO THE FINANCIAL STATEMENTS

1. General information

AGE Wellness Association Limited 長晉會有限公司 ("the Association") is a company incorporated in Hong Kong with liability limited by guarantee. At the end of the reporting period, the address of its registered office was Room 9A08, 9/F., Meyer Industrial Building, 2 Chong Yip Street, Kwun Tong, Kowloon. Subsequently, with effect from 1 January 2017, the registered office was relocated to Rm. 2-4, 22/F, Prosperity Centre, 982 Canton Rd., Mongkok, Kln.

The principal activity of the Association is to provide education and counseling service and to preach the Christian Gospel to the elderly people.

Under provision 6 of the Association's Memorandum of Association, every member shall in the event of the Association being wound up, contribute to the assets of the Association to an amount not exceeding the sum of \$10.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Association.

2. Basis of preparation and accounting policies

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

2.1 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and that cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit or loss during the financial period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method:

Furniture, fixtures and equipment	20%
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If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

AGE WELLNESS ASSOCIATION LIMITED 長晉會有限公司
NOTES TO THE FINANCIAL STATEMENTS

2. Basis of preparation and accounting policies (“Continued”)

2.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.3 Impairment of non-financial assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in income and expenditure.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in income and expenditure.

2.4 Revenue recognition

Revenue is recognized as follows:

- (a) Membership fee is recognised when money is received from the member;
- (b) Course fee is recognised when the event has been taken place;
- (c) Donation income is recognised when money is received from the donor; and
- (d) Bank interest income is recognised on an accrual basis using the effective interest method.

3. Key sources of estimation uncertainty

In the opinion of the management, the Association has no material estimation uncertainty.

4. Directors’ emoluments

Emoluments of the directors disclosed pursuant to section 383(1) of the Companies Ordinance are as follows:

	2016 \$	2015 \$
Fees	NIL	NIL
Other emoluments	<u>NIL</u>	<u>NIL</u>

5. Taxation

	2016 \$	2015 \$
Current tax		
Hong Kong profits tax	<u>-</u>	<u>69</u>

No Hong Kong profits tax has been provided in the financial statements as the Association is a charitable institution and has been exempted from profits tax under Section 88 of the Inland Revenue Ordinance (the "IRO").

6. Property, plant and equipment

	Furniture, fixtures and equipment \$
Cost	
At 1 January and 31 December 2016	<u>688</u>
Accumulated depreciation	
At 1 January 2016	276
Charge for the year	<u>138</u>
At 31 December 2016	<u>414</u>
Net book value	
At 31 December 2016	<u>274</u>
At 31 December 2015	<u>412</u>

7. Amounts due to directors

The amounts due are unsecured, interest free and have no fixed terms of repayment.