

COMMUNITY SPIRIT CHARITY LIMITED
(Incorporated in Hong Kong and limited by guarantee)

Financial Statements
For the period from 31 July 2013 (the date of incorporation)
to 31 December 2014

Y. P. YEUNG
Certified Public Accountant (Practising)

COMMUNITY SPIRIT CHARITY LIMITED
For the period from 31 July 2013 (the date of incorporation) to 31 December 2014

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COMMUNITY SPIRIT CHARITY LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

The directors have pleasure in submitting its report and the audited financial statements for the period from 31 July 2013 (date of incorporation) to 31 December 2014.

FINANCIAL STATEMENTS

The result for the period from 31 July 2013 (date of incorporation) to 31 December 2014 is set out on page 5.

The state of affairs of the company at 31 December 2014 is set out in the balance sheet on page 6.

The cash flows of the company for the year are set out in the statement of cash flow on page 7.

PRINCIPAL ACTIVITY

The principal activity of the Company is to bring comfort and care to the elderly, to improve their quality of living especially to those lacking family or social network by conducting social activities including distribution of fortune food bags through regular home visits.

DIRECTORS

The directors during the period and up to the date of this report were:

CHAN Wai On	(appointed on 31 July 2013 and resigned on 30 July 2015)
LEE Lup Kuen	(appointed on 31 July 2013)
LAU Wai Ling	(appointed on 3 January 2016)
LEUNG Kwok On	(appointed on 3 January 2016)
PO Ah Yee	(appointed on 3 January 2016)

In accordance with the Company's Articles of Company, all directors retire at the forthcoming Annual General Meeting and, being eligible, are available for re-election.

COMMUNITY SPIRIT CHARITY LIMITED
REPORT OF THE DIRECTOR
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

MANAGEMENT CONTRACTS

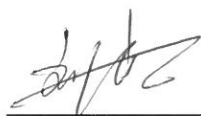
No contract of significance to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the period.

At no time during the year was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

HONORARY AUDITORS

The financial statements have been audited by Messrs. Y. P. Yeung Certified Public Accountant (Practising), who retired and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Chairman

Hong Kong, 7 MAY 2016



Y. P. YEUNG Certified Public Accountant (Practising) 楊余彬執業會計師

**INDEPENDENT AUDITOR'S REPORT – TO THE MEMBER OF
COMMUNITY SPIRIT CHARITY LIMITED
(incorporated in Hong Kong and limited by guarantee)**

Report on the financial statements

We have audited the financial statement of Community Spirit Charity Limited (The Company) set out on page 5 to 15, which comprise the balance sheet as at 31 December 2014 and the income and expenditure account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the period from 31 July 2013 (the date of incorporation) to 31 December 2014, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance, and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 80 of Schedule 11 to 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 requirement 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of materials misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation of the financial statements that



Y. P. YEUNG Certified Public Accountant (Practising) 楊余彬執業會計師

**INDEPENDENT AUDITOR'S REPORT – TO THE MEMBER OF
COMMUNITY SPIRIT CHARITY LIMITED
(incorporated in Hong Kong and limited by guarantee)**

Auditor's responsibility - Continued

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.

Opinion

In our opinion, the financial statement give a true and fair view of the state of affairs of the Company as at 31 December 2014 and of its surplus and cash flows for the period from 31 July 2013 (date of incorporation) to 31 December 2014 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

A handwritten signature in black ink, appearing to read 'Y. P. Yeung', is written over the printed name.

Y. P. YEUNG

Certified Public Accountants (Practising)

Room 602, 6/F, Chung Wai Comm Bldg

447-449 Lockhart Road

Causeway Bay, Hong Kong

Date:

COMMUNITY SPIRIT CHARITY LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014


	Note(s)	31.07.2013 to 31.12.2014 HK\$
Income		
Donation received		267,146
Charity Bazaar		48,151
Interest income		13
Membership fee		<u>23,210</u>
		<u>338,520</u>
Less: Direct charitable expenditure		
Fortune food bag for elderly		124,893
Souvenir for elderly in charity events		8,775
Messing for volunteer and guest		4,582
Printing, stationery and postage		2,595
Sundry expenses		5,562
Travel allowance to elderly to charity events		1,140
Transportation		18,602
Venue rental expenses for charity event and charity bazaar		<u>16,450</u>
		<u>182,599</u>
Less: Other administrative expenses		
Bank charges		150
Business registration fee		2,250
Incorporation fee		5,430
Printing, stationery and postage		4,368
Professional fee		704
Sundry expenses		26
Website expenses		<u>2,310</u>
		<u>15,238</u>
NET SURPLUS FOR THE PERIOD		<u><u>140,683</u></u>

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

	HK\$
Net surplus for the period	140,683
Other comprehensive income	<u>-</u>
Total comprehensive income for the period	<u><u>140,683</u></u>


COMMUNITY SPIRIT CHARITY LIMITED
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note(s)	2014
		HK\$
CURRENT ASSETS		
Bank balance		171,579
		<u>171,579</u>
CURRENT LIABILITIES		
Amount due to a director	8	30,896
		<u>30,896</u>
NET ASSETS		<u>140,683</u>
Financed by: -		
Retained surplus		<u>140,683</u>
		<u>140,683</u>



 Director

Hong Kong: 7 MAY 2016



 Director

COMMUNITY SPIRIT CHARITY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 HK\$
Cash in flow from operating activities	
Surplus for the period	140,683
Increase in amount due to a director	<u>30,896</u>
Net cash inflow from operating activities	<u>171,579</u>
Cash and cash equivalent at beginning of the period	<u>-</u>
Cash and cash equivalents at end of year	<u>171,579</u>
 ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENT	
Bank balance	<u>171,579</u>

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

**COMMUNITY SPIRIT CHARITY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Retained surplus HK\$
Surplus for the period	<u>140,683</u>
At 31 December 2014	<u><u>140,683</u></u>

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

1. THE COMPANY

Community Spirit Charity Limited (the “Company”) was incorporated as a company limited by guarantee in Hong Kong under Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared in accordance with applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term 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 principals generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention.

b. Impact of new and revised Hong Kong Financial Reporting Standards

In the current period, the Company has applied a number of new and revised Standards and Interpretations (“new and revised HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014.

The application of these new and revised HKFRSs has no significant impact on the Company’s results and financial position nor any substantial changes in the Company’s accounting policies and presentation of the financial statements.

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

2. PRINCIPAL ACCOUNTING POLICIES – Cont’d

c. Impact of issued but not yet effective Hong Kong Financial Reporting Standards

		Effective for accounting periods beginning on or after
Amendments HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle	1 January 2016
Amendments to HKFRS 10 and HKAS28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS28	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKAS 16 and HKAS 38 (Amendment)	Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants	1 January 2016
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016
HKAS 27 (Amendment)	Equity method in Separate Financial Statement	1 January 2016

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the results and the financial position of the Company.

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

2. PRINCIPAL ACCOUNTING POLICIES – Cont’d

d. Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

e. Recognition of revenue

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the future economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in profit or loss as follows:

- i. Membership Fee income
Membership fee income is recognized on accrual basis.
- ii. Interest Income
Interest income is recognized at the time of actual receipt.
- iii. Donation
Donations are recognized when the right to receive payment is established.

f. Related parties

- i. A person, or a close member of that person’s family, is related to the Company if that person:
 - (a) has control or joint control over the Company
 - (b) has significant influence over the Company
 - (c) is a member of the key management personnel of the Company

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

2. PRINCIPAL ACCOUNTING POLICIES – Cont’d

f. Related parties – Cont’d

- ii. An entity is related to the Company if any of the following conditions applies:
- (a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) 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).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the entity
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company
 - (f) The entity is controlled or jointly controlled by a person identified in i.
 - (g) A person identified in i(a) 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).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

3. DIRECTORS' REMUNERATION

Remuneration to directors disclosed pursuant to Section 161(1) of the Companies Ordinance is as follows: -

	31.07.2013
	to
	31.12.2014
	HK\$
- Fees	-
- Other emolument	-
	<hr/>
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4. TAXATION

The Company has been granted exemption of tax under Section 88 of the Inland Revenue Ordinance, no provision for profits tax has therefore been made in the financial statement.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

In the process of applying the Company's accounting policies which are described in note 1, the Company's directors has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the Company's directors reviews their judgements, estimates and assumptions continuously, the actual result will seldom equal to the estimates.

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

6. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to operate to meet its aim.

7. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks: market risk (including, interest rate risk), credit risk and liquidity risk in its operation. The Company's directors manages and monitors there exposures to ensure appropriate measures are implemented on a timely and effective manner.

Risk management is carried out by the director of the Company. The directors of the Company identifies, evaluates and manages significant financial risk as follows:

a. Market risk

Interest rate risk

The Company is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits.

Other than as mentioned above, the Company's income and operation cash flows are substantially independent of changes in market interest rates.

b. Credit risk

The Company has no significant concentrations of credit risk. The Company has policies that limit the amount of credit exposure to any debtors.

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 31 JULY 2013 (DATE OF INCORPORATION) TO 31
DECEMBER 2014

7. FINANCIAL RISK MANAGEMENT – Cont’d

c. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its current obligations when they fall due. The Company’s approach to managing liquidity risk is to ensure, as far as possible, that its will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputations.

The Company’s policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The Company also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the course of ordinary business.

8. AMOUNT DUE TO A DIRECTOR

The amounts due are unsecured, non-interest bearing and have no fixed repayment terms.

9. RELATED PARTY TRANSACTIONS

There is no related party transaction during the period.

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements on pages 5 to 15 have been approved and authorised for issue by the Board of Directors on 7 MAY 2016 .