

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

Financial Statements
For the year ended 31 December 2015

Y. P. YEUNG
Certified Public Accountant (Practising)

COMMUNITY SPIRIT CHARITY LIMITED
For the year ended 31 December 2015

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COMMUNITY SPIRIT CHARITY LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors have pleasure in submitting its report and the audited financial statements for the year ended 31 December 2015.

FINANCIAL STATEMENTS

The result for the year ended 31 December 2015 is set out on page 5.

The state of affairs of the company at 31 December 2015 is set out in the balance sheet on page 6.

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 year and up to the date of this report were:

LEE Lup Kuen
LAU Wai Ling
LEUNG Kwok On
PO Ah Yee

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 YEAR ENDED 31 DECEMBER 2015

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 year.

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.

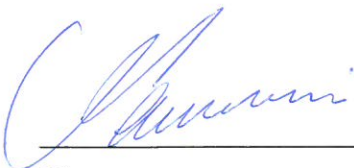
BUSINESS REVIEW

In year 2015, we continued to distribute over one hundred fortune food bags each month through regular home visits. Furthermore, we organized two joyful luncheons and two eye inspection services to the elderly. In coming year, we would continue our monthly home visits to distribute fortune food bags and will organize more social activities for the elderly, especially to those lacking family or social network.

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



Director

Hong Kong, 12 APR 2017



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 statements of Community Spirit Charity Limited (The Company) set out on page 5 to 12, which comprise the balance sheet as at 31 December 2015 and the income and expenditure account, and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements in accordance with the Small and Medium-size Entity Financial Reporting Standard (SME_FRS) 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, and for no other purpose. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" 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 auditors consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the



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

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 statements of the Company for the year ended 31 December 2015 are prepared, in all material respects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Ordinance.

Y. P. YEUNG
Certified Public Accountants (Practising)
Room 602, 6/F, Chung Wai Comm Bldg
447-449 Lockhart Road
Causeway Bay, Hong Kong

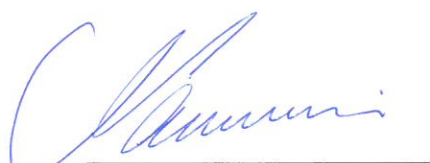
Date: 12 APR 2017

COMMUNITY SPIRIT CHARITY LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

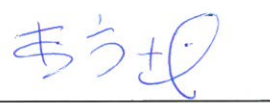
	Note(s)	01.01.2015 to 31.12.2015 HK\$	31.07.2013 to 31.12.2014 HK\$
Income			
Donation received		453,670	267,146
Charity Bazaar		19,010	48,151
Interest income		23	13
Membership fee		4,200	23,210
Other income		300	-
		477,203	338,520
Less: Direct charitable expenditure			
Fortune food bag for elderly		150,183	124,893
Souvenir for elderly in charity events		2,794	8,775
Messing for volunteer and guest		309	4,582
Printing, stationery and postage		722	2,595
Sundry expenses		2,466	5,562
Travel allowance to elderly to charity events		270	1,140
Transportation		7,180	18,602
Venue rental and elderly meal expenses for charity event		37,383	16,450
		201,307	182,599
Less: Other administrative expenses			
Bank charges		300	150
Business registration fee		-	2,250
Incorporation fee		-	5,430
Printing, stationery and postage		821	4,368
Professional fee		-	704
Rental for warehouse and postbox		18,351	-
Sundry expenses		5,080	26
Website expenses		1,155	2,310
		25,707	15,238
		250,189	140,683
NET SURPLUS FOR THE YEAR / PERIOD			

COMMUNITY SPIRIT CHARITY LIMITED
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note(s)	2015	2014
		HK\$	HK\$
CURRENT ASSETS			
Inventory	6	21,108	-
Account receivable		195	-
Bank balance		392,548	171,579
		<u>413,851</u>	<u>171,579</u>
CURRENT LIABILITIES			
Amount due to a director	7	22,979	30,896
		<u>22,979</u>	<u>30,896</u>
NET ASSETS		<u>390,872</u>	<u>140,683</u>
Financed by: -			
Retained surplus		<u>390,872</u>	<u>140,683</u>
		<u>390,872</u>	<u>140,683</u>



 Director



 Director

Hong Kong: 12 APR 2017

COMMUNITY SPIRIT CHARITY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Retained surplus HK\$
Surplus for the period	<u>140,683</u>
At 31 December 2014 and at 1 January 2015	140,683
Surplus for the year	<u>250,189</u>
At 31 December 2015	<u><u>390,872</u></u>

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 Company qualifies for the reporting exemption as a small guarantee company under Section 359(1)(a) for the Hong Kong Company Ordinance. The Company is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the “SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with the SME-FRS issued by the Hong Kong Institute of Certified Public Accountants. They have been prepared under the historical cost convention, the accruals basis of accounting and on the basis that the Company is a going concern.

The Company’s financial statements for the year ended 31 December 2015 are its first annual financial statements prepared under accounting policies that comply with SME-FRS.

The Company applied full Hong Kong Financial Standards (“HKFRS”) prior to the application of the SME-FRS.

The following set out the effect of adopting the SME-FRS on these financial statements:

- i) Transitioning from a different GAAP to SME-FRS

The following are dealt with as change of accounting policies under Section 2 of the SME-FRS.

- Derecognise all previously recognised items which do not meet the recognition criteria under the SME-FRS, such as: deferred tax liability/assets.

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. PRINCIPAL ACCOUNTING POLICIES – Cont'd

- Recognise all previously unrecognised items which meet the recognition criteria under the SME-FRS; and
- Re-measure all recognised items in accordance with the SME-FRS.

Under SME-FRS 2.7 and 2.8, such above changes in accounting policy should be applied retrospectively, unless it is impracticable to determine the cumulative effect of the change. Comparatives need not be restated in this would involve undue cost or effect.

ii) Typical adjustments that might be needed on transition

We are all aware that there are a number of key measurement differences between full HKFRS and the SME-FRS. Typical adjustments that would need to be made on transition would include the followings:

- Eliminate all deferred tax balances;
- Eliminate any goodwill which arose more than 5 years ago (unless the presumption of a 5 year useful life is rebutted) and compute the cumulative amortisation to be eliminated for any goodwill acquired since then;
- If any properties (including investment properties), other plant and equipment or investments are carried at a value higher than depreciated cost less impairment losses, then eliminate the unrealized revaluation surpluses; and
- Identify a best estimate of a useful life for any intangibles with indefinite useful lives, using the rebuttable presumption of not more than 10 years, and compute the cumulative amortisation to be eliminated.

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2. PRINCIPAL ACCOUNTING POLICIES – Cont'd

b. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

c. Accounts Receivable

Accounts receivable is stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income and expenditure account.

d. Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

e. Recognition of revenue

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

- i. Membership Fee income is recognised on accrual basis.
- ii. Interest Income is recognised at the time of actual receipt.
- iii. Donation received is recognised on receipts of cash.
- iv. Sundry income is recognised on accrual basis.

COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. MEMBERS' ACTIVITIES

	01.01.2015	31.07.2013
	to	to
	31.12.2015	31.12.2014
	HK\$	HK\$
Receipts	477,203	338,520
Expenses	227,014	197,837
Surplus on Member's activities	<u>250,189</u>	<u>140,683</u>

4. DIRECTORS' REMUNERATION

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

	01.01.2015	31.07.2013
	to	to
	31.12.2015	31.12.2014
	HK\$	HK\$
- Fees	-	-
- Other emolument	-	-
	<u>-</u>	<u>-</u>

5. 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.

6. INVENTORIES

	2015	2014
	HK\$	HK\$
Merchandiser for fortune food bag for elderly, net	<u>21,108</u>	<u>-</u>

**COMMUNITY SPIRIT CHARITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. AMOUNT DUE TO A DIRECTOR

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

8. RELATED PARTY TRANSACTIONS

There is no related party transaction during the year.

9. APPROVAL OF FINANCIAL STATEMENTS

The financial statements on pages 5 to 12 have been approved and authorised for issue by the Board of Directors on 12 APR 2017 .