

THE CONSERVANCY ASSOCIATION

長春社

STATEMENTS OF ACCOUNTS

For the year ended 31 December 2015

楊少銓會計師事務所
ALBERT S. C. YOUNG & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

THE CONSERVANCY ASSOCIATION
EXECUTIVE COMMITTEE'S REPORT

The executive committee has pleasure in submitting its annual report together with the audited financial statements of the Association for the year ended 31 December 2015.

Principal activities

The Association is established for the objective of promoting environmental protection.

Results and appropriations

The result of the Association for the year ended 31 December 2015 and the state of the Association's affairs at that date are set out in the annexed financial statements and notes.

Property, plant and equipment

Details of movements during the year in the property, plant and equipment of the Association are set out in note 6 to the financial statements.

Business review

The Company falls within the reporting exemption for the financial year. Accordingly, the Company is exempted from preparing business review.

Executive committee

The members of executive committee during the year were:

Ms. WOO Kwok Ping (Chairman)
Mr. CHAN Chit Kwai, Stephen
Dr. CHUNG Shan Shan
Mr. FAN Jor Ching
Dr. HAU Chi Hang
Ms. HO Siu Fong
Dr. HUNG Wing Tat
Dr. KWOK Ngai Kuen
Mr. LAI Kwong Tak, Albert
Mr. LAM Kin Lai
Dr. LAW Winnie Wai Yi
Dr. NG Cho Nam
Mr. WAN Kwok Wai, Martin
Mr. YAN Wa Tat
Mr. YICK Wing Fat, Simon

In accordance with the Articles no. 42 & 46 of Association, the names should be as Mr. FAN Jor Ching; Dr. KWOK Ngai Kuen; Mr. LAI Kwong Tak, Albert; Mr. LAM Kin Lai; Dr. NG Cho Nam; Mr. WAN Kwok Wai, Martin; Ms. WOO Kwok Ping; Mr. YICK Wing Fat, Simon whose term of office shall expire on the close of this year's Annual General Meeting and, being eligible, shall offer themselves for re-election.

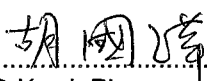
Executive committee members' interests in contracts

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

Auditors

A resolution to reappoint Messrs. Albert S. C. Young & Company as auditors of the Association will be proposed at the annual general meeting.

On behalf of the executive committee


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WOO Kwok Ping
Chairman
Hong Kong, 28 APR 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CONSERVANCY ASSOCIATION**

We have audited the financial statements of The Conservancy Association ("the Association") set out on pages 4 to 9, which comprise the statement of financial position as at 31 December 2015, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive committee members' responsibilities for the financial statements

The executive committee members are responsible for the preparation of financial statements in accordance with the Small and Medium-sized 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 director determines 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. The report is made solely to you, as a body, in accordance with sections 405-407 of the Hong Kong Companies Ordinance, 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 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 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 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.

楊少銓會計師事務所 香港執業會計師

ALBERT S. C. YOUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

89-93 Bonham Strand, 2nd Floor, Office C, Man Lok Building, Hong Kong.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CONSERVANCY ASSOCIATION**

Opinion

In our opinion, the financial statements of the Association 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 Companies Ordinance.




.....
Albert S. C. Young & Company,
Certified Public Accountants.

Hong Kong, 28 APR 2016

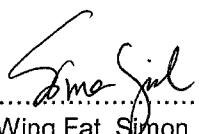
THE CONSERVANCY ASSOCIATION
STATEMENT OF FINANCIAL POSITION at 31 December 2015

	Note	<u>2015</u>	<u>2014</u>
		\$	\$
Non-current assets			
Property, plant and equipment	6	72,403	154,753
Amount due from related association	7	450,000	500,000
		522,403	654,753
Current assets			
Accounts and other receivables		2,342,699	2,053,211
Cash and cash equivalents		11,960,391	13,725,665
		14,303,090	15,778,876
Current liabilities			
Accounts payable and receipts in advance		6,315,737	9,107,429
Net current assets		7,987,353	6,671,447
Net assets		8,509,756	7,326,200
 GENERAL FUND			
Accumulated surplus	8	8,509,756	7,326,200

Approved on behalf of the Committee by:



 WOO Kwok Ping
 Chairman



 YICK Wing Fat, Simon
 Honorary treasurer

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

THE CONSERVANCY ASSOCIATION
INCOME STATEMENT
For the year ended 31 December 2015

	Note	<u>2015</u> \$	<u>2014</u> \$
Revenue	3	21,699,028	13,286,039
Expenditure			
Projects		13,422,784	5,822,650
Operating and administrative		7,092,688	6,651,840
		20,515,472	12,474,490
Surplus for the year	4	1,183,556	811,549

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

THE CONSERVANCY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

1. General

The Association is domiciled and incorporated in Hong Kong with limited guarantee without share capital. Under the provision of its Articles of Association every member shall, in the event of the Association being wound up, contribute such amount as may be required to meet the liabilities of the Association but not exceeding the sum of HK\$10.00 each.

The address of the registered office and principal place of the Association is Unit 102, 1/F, PeakCastle, 476 Castle Peak Road, Kowloon, Hong Kong. The principal activities of the Association were promoting environmental protection during the year.

(a) Basis of accounting

The Association qualifies for the reporting exemption as a small private company under Section 359 (1)(a) for the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

The Association applied Hong Kong Financial Reporting Standard for Private Entities prior to the application of the SME-FRS.

Under SME-FRS 2.7 and 2.8, 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 if this would involve undue cost or effort.

These financial statements comply with the SME-FRS and have been under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(b) Basis of accounting

The measurement basis used in the preparation of these financial statements is historical cost.

(c) Currency

These financial statements have been prepared in Hong Kong dollars.

(d) Revenue

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

(i) Income is recognised when it is received.

(e) Property, plant and equipment

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

THE CONSERVANCY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the expenses during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they become fully operational and after taking into account of their estimated residual values, using the straight-line method, at the rate per annum as follows.

Computer	30%
Office equipment	25%
Furniture & fixtures	20%

(f) Impairment of assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of that asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised as income immediately.

(g) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Association are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

THE CONSERVANCY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

3. Revenue

An analysis of the Association 's revenue is as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Fund-raising	3,474,833	4,249,946
Project income	17,446,639	8,316,572
Bank interest income	44,832	48,617
Other and sundry income	137,684	159,654
Lecture and tour income	595,040	511,250
	<u>21,699,028</u>	<u>13,286,039</u>

4. Surplus for the year

Surplus is arrived at after charging the following items:-

Auditor's remuneration	-	-
Executive committee members' emoluments		
- Committee members' fee	-	-
- Salaries and allowance	-	-
Staff cost		
- Salaries	5,087,087	4,682,226
- Mandatory provident funds contribution	329,143	308,610
Depreciation	85,330	85,163
Hire of premises under operating leases	594,000	564,000
	<u>5,895,560</u>	<u>5,628,609</u>

5. Taxation

The Association has been exempted under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character.

6. Property, plant and equipment

	<u>Computer</u>	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Total</u>
	\$	\$	\$	\$
Cost -				
At 31.12.2014	128,155	134,279	412,021	674,455
Additions	-	2,980	-	2,980
At 31.12.2015	<u>128,155</u>	<u>137,259</u>	<u>412,021</u>	<u>677,435</u>
Accumulated depreciation -				
At 31.12.2014	127,915	130,317	261,470	519,702
Charges for the year	240	2,910	82,180	85,330
At 31.12.2015	<u>128,155</u>	<u>133,227</u>	<u>343,650</u>	<u>605,032</u>
Net book value -				
At 31.12.2015	<u>-</u>	<u>4,032</u>	<u>68,371</u>	<u>72,403</u>
At 31.12.2014	<u>240</u>	<u>3,962</u>	<u>150,551</u>	<u>154,753</u>

THE CONSERVANCY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

7. Amount due from a related association

The amount due from a related association is unsecured, interest-free and repayable on demand.

8. Changes in general fund

	Accumulated surplus
	\$
Balance at 31.12.2014	7,326,200
Surplus for the year	1,183,556
Balance at 31.12.2015	8,509,756

9. Commitments under operating lease

The Association had the following total future minimum lease payments payable under non-cancellable operating leases:

	2015	2014
	\$	\$
Within one year	654,000	376,000
After one year	436,000	-
	1,090,000	376,000

10. Approval of financial statements

These financial statements were authorised for issue by the Committee on 28 APR 2016