

**PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)**

陳校長免費補習天地有限公司

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR EDNED 31ST MARCH, 2014

AUDITED BY

CHAN KIM FAI EDDIE

CERTIFIED PUBLIC ACCOUNTANT (PRACTISING)

陳劍輝執業會計師

PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)

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PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS

The directors presented the annual report and the audited financial statement of Principal Chan Free Tutorial World Limited (hereinafter referred to as the "Association") for the year ended 31st March, 2014.

PRINCIPAL ACTIVITY

The principal activity of the association was provision of free tutorial and educational service.

RESULTS

The results of the Association for the year ended 31st March, 2014 and the state of the Association's affairs at that date are set out in the financial statements on pages 4 to 11.

PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment during the year are set out in note 4 to the financial statements.

DIRECTORS

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

Chan Hung
Wu Man Kong
Ho Leung Chung

In accordance with Article 28 of the Association's Article of Association, every director shall hold office for a term of 2 years and all shall retired, and being eligible offer themselves for re-election.

DIRECTORS' INTEREST IN CONFLICTS

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

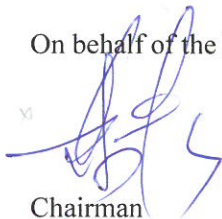
ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Association a party to any arrangement to enable the directors of the Association to acquire benefits by means of the acquisition of shares in or debentures of the Association or its associated corporations.

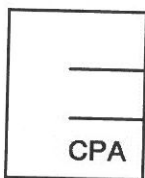
HONORARY AUDITOR

The financial statements for the year have been audited by Chan Kim Fai Eddie, Certified Public Accountant (Practising), who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board



Chairman
Hong Kong, 24 MAR 2016



Chan Kim Fai Eddie
Certified Public Accountant (Practising)
陳劍輝執業會計師

INDEPENDENT HONORARY AUDITOR'S REPORT
TO THE MEMBERS OF PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Report on the Financial Statements

We have audited the financial statements of Principal Chan Free Tutorial World Limited set out on pages 4 to 11, which comprise the statement of financial positions as at 31st March, 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

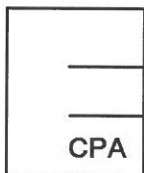
The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 of the new 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 content 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 as to 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 and presentation 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 director, 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.



Chan Kim Fai Eddie
Certified Public Accountant (Practising)

陳劍輝執業會計師

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED

(Incorporated in Hong Kong with limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Association as at 31st March, 2014 and of its surplus and cash flows for the year ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the predecessor Hong Kong Companies Ordinance.

Chan Kim Fai Eddie
Certified Public Accountant (Practising)
Practising Certificate Number: P05312
Hong Kong, 24 MAR 2016

Unit A, 12/F., Yun Tat Commercial Building, 70-74 Wuhu Street, Hunghom, Kowloon, Hong Kong.

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PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2014

	2014 HK\$	2013 HK\$
TURNOVER		
Donation income	5,483,148	1,765,845
Activity income	11,726	-
Sundry income	2,650	2,828
	<u>5,497,524</u>	<u>1,768,673</u>
OTHER REVEUNE		
Bank interest income	<u>1</u>	<u>-</u>
ADMINISTRATIVE EXPENSES		
Advertising	7,600	4,734
Bank charges	7,610	920
Building management fee	16,580	23,400
Cleaning expenses	4,024	7,391
Computer expenses	12,537	79,217
Consumable material	5,277	-
Courier charges	140	30
Depreciation	32,618	25,018
Electricity and water	91,767	11,841
Insurance	17,237	3,694
Magazine and newspaper	1,410	128
Medical expenses	20	23
Messing	3,923	1,236
MPF contribution	56,026	22,024
Postage	8,075	1,597
Printing and stationery	120,952	3,605
Rental expenses	446,200	127,200
Repairs and maintenance	149,451	14,665
Salaries and allowance	970,659	659,016
Secretarial fee	400	-
Sponsor of student	14,421	-
Sundry expenses	3,874	2,100
Telecommunication	13,877	9,283
Transportation	17,259	7,190
Travelling	3,660	11,403
	<u>2,005,597</u>	<u>1,015,715</u>
Surplus and total comprehensive income for the year	<u>3,491,928</u>	<u>752,958</u>

THE ANNEXED NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION

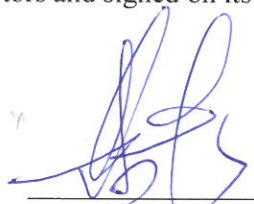
AS AT 31ST MARCH, 2014

	Note	2014 HK\$	2013 HK\$
ASSETS			
Non-current assets			
Property, plants and equipment	4	81,984	76,602
Current assets			
Deposits and prepayment		114,000	23,800
Bank balances and cash		4,937,972	1,289,108
		<u>5,051,972</u>	<u>1,312,908</u>
Current liabilities			
Accruals		-	120
Amount due to a director	5	11,000	-
Programme funds payable		241,638	-
		<u>252,638</u>	<u>120</u>
Net current assets		<u>4,799,334</u>	<u>1,312,788</u>
Total assets		<u>4,881,318</u>	<u>1,389,390</u>

RESERVES AND LIABILITY

Reserves			
General fund		4,881,318	1,389,390
Total reserves		<u>4,881,318</u>	<u>1,389,390</u>

The financial statements on pages 4 to 11 have been approved and authorised for issue by the Board of Directors and signed on its behalf by:


 Director


 Director

THE ANNEXED NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2014

	General fund HK\$	Total HK\$
Balance as at 1st April, 2012	636,432	636,432
Surplus for the year	<u>752,958</u>	<u>752,958</u>
Balance as at 1st April, 2013	1,389,390	1,389,390
Surplus for the year	<u>3,491,928</u>	<u>3,491,928</u>
Balance as at 31st March, 2014	<u><u>4,881,318</u></u>	<u><u>4,881,318</u></u>

PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2014

	<u>Note</u>	<u>2014</u> <u>HK\$</u>	<u>2013</u> <u>HK\$</u>
Cash flows from operating activities			
Cash receipts from donors		5,497,524	1,768,673
Cash paid to employees and supplies		<u>(2,005,597)</u>	<u>(1,015,715)</u>
		3,491,927	752,958
Add: Depreciation		<u>32,618</u>	<u>25,018</u>
		3,524,545	777,976
Increase in deposit and prepayment		(90,200)	(2,600)
Decrease in accruals		(120)	(28,630)
Increase in amount due to a director		11,000	-
Increase in programme funds payable		<u>241,638</u>	<u>-</u>
Cash generated from / (used in) operations		3,686,863	746,746
Bank interest received		<u>1</u>	<u>-</u>
Net cash generated from operating activities		<u>3,686,864</u>	<u>746,746</u>
Cash generated from investing activities			
Additions to property, plant and equipment		<u>(38,000)</u>	<u>(7,740)</u>
Net cash (used in) investing activities		<u>(38,000)</u>	<u>(7,740)</u>
Net cash (used in) / generated from financing activities		<u>-</u>	<u>-</u>
Increase in cash and cash equivalents		3,648,864	739,006
Cash and cash equivalents at beginning of the year		1,289,108	550,102
Cash and cash equivalents at end of the year	6	<u><u>4,937,972</u></u>	<u><u>1,289,108</u></u>

THE ANNEXED NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH, 2014

1. GENERAL INFORMATION

The Association was incorporated under the Predecessor Hong Kong Companies Ordinance on 25th May, 2011 as a company limited by guarantee and not having a share capital. According to the Memorandum of the Association, the liability of each member is limited to the extent of HK\$100. The Registered office address of the Association is Unit B, 1/F., Greenery Court, 250-252 Fa Yuen Street, Mong Kok, Kowloon, Hong Kong.

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 ("HKICPA") and the requirements of the predecessor Hong Kong Companies Ordinance. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of accounting

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

b) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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. The following annual rates are used for the depreciation of property, plant and equipment:

Furniture and fixtures	20% per annum
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Gain or loss arising from the derecognition of the item of property, plant and equipment is included in the income statement in the year when the item is derecognized and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

c) Impairment of assets

An assessment is made at each year and date of whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment and long-term investment. In the event that an asset's carrying amount is reduced to recoverable amount and impairment loss is recognized in profit or loss. A previously recognized impairment loss is reversed only if there has been a change in estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years.

PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH, 2014

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

d) Trade and other receivables

Trade and other receivable are recognized initially at the transaction price. They are subsequently measured at amortized cost using effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts and advances from banks repayable within three months from date of the advance.

f) Other payables

Other payable are initially measured at transaction price and subsequently measured at amortized cost using the effective interest method.

g) Revenue recognition

Revenue is recognized when the amount can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Association.

Donations are recognized as income upon actual receipt of money.

Interest income from bank deposits is accrued on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

h) Leases

All rentals receivable and payable under operating lease are credited or charged to the profit or loss on a straight line basis over the duration of the leases.

i) Employee benefits

Pension scheme

The Association provides contributions as retirement benefits for those employees who are eligible to participate in the Mandatory Provident Fund Scheme (the MPF Scheme) under the MPF Scheme Ordinance. Contributions are made on the basis of a percentage of the employees' relevant income in accordance with the rules of the MPF Scheme and are paid into the said scheme. When payable, all contributions are charged to profit or loss of the Association. The employer's portion of contributions vests fully in the employees. The assets of the MPF Scheme are held separately from those of the Association in an independently administered trust fund.

PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
31ST MARCH, 2014

3. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Association is a charitable institution under Section 88 of the Inland Revenue Ordinance (Chapter 112) and is therefore exempted from taxes levied under this Ordinance.

4. PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment are given in Schedule 1 annexed to the financial statements.

5. AMOUNT DUE TO A DIRECTOR

This amount is unsecured, interest free and has no fixed repayment term.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following items in the statement of financial position:-

	2014 HK\$	2013 HK\$
Cash at bank and on hand	4,937,972	1,289,108

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statement have been approved and authorized to issue by the Board of Directors on 24th March, 2016.

PRINCIPAL CHAN FREE TUTORIAL WORLD LIMITED
(LIMITED BY GUARANTEE)

Schedule 1

PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK\$	Total HK\$
<u>Cost</u>		
At 1/4/2012	117,350	117,350
Additions	7,740	7,740
At 1/4/2013	125,090	125,090
Additions	38,000	38,000
At 31/3/2014	163,090	163,090
<u>Depreciation</u>		
At 1/4/2012	23,470	23,470
Charge for the year	25,018	25,018
At 1/4/2013	48,488	48,488
Charge for the year	32,618	32,618
At 31/3/2014	81,106	81,106
<u>Net book value</u>		
At 31/3/2014	81,984	81,984
At 31/3/2013	76,602	76,602
At 31/3/2012	93,880	93,880