

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

CONTENTS	PAGES
Report of the Directors	1 – 2
Independent Auditor’s Report	3 – 5
Income Statement	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Notes to the Financial Statements	9 – 14

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

REPORT OF THE DIRECTORS

The directors of Accounting Development Foundation Limited (‘the Foundation’) present their annual report and the audited financial statements for the year ended 30 April 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Foundation are to promote unity and sharing among members in the accounting profession and to provide a forum for the exchange of ideas and experiences by organizing meetings, conventions, seminars, courses, study trips, conferences and exhibitions and other forms of media for the members and the general public.

The Foundation adopted a trade name “Accounting Development Foundation” to carry out its operation.

FINANCIAL STATEMENTS

The results of the Foundation for the year ended 30 April 2021 and the state of the Foundation’s affairs as at 30 April 2021 are set out in the accompanying financial statements.

CHANGE IN FUND

Details of movements in the fund of the Foundation during the year are set out in the statement of changes in fund on Page 8.

DIRECTORS

The directors of the Foundation who held office during the year and up to the date of this report were:

Chow Ka Leung Louis
Fan Vickie Ping Wai
Lam Chi Yuen Nelson
Poon Kwok Ching
Poon Tsun Wah Gary
Tsui Wing Tak
Yeung Chi Wai
Yuen Siu Bun Edward

In accordance with the Foundation’s Articles of Association, the term of office of director shall be two years and shall retire biyearly by rotation. A retiring director shall be eligible for re-election.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

REPORT OF THE DIRECTORS

DIRECTORS – CONT'D

In accordance with the Foundation's Articles of Association, the following directors shall retire from office and be eligible for re-election in the forthcoming Annual General Meeting: -

Lam Chi Yuen Nelson
Poon Tsun Wah Gary
Yuen Siu Bun Edward

PERMITTED INDEMNITY PROVISION

There was no permitted indemnity provision in force for the benefit of directors of the Foundation during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Foundation were entered into or existing during the year.

ADOPTION OF TRADE NAME

The Foundation adopted a trade name "Accounting Development Foundation" to carry out its operation.

AUDITOR

The financial statements for the year have been audited by Messrs. C. F. Chu & Co., Certified Public Accountants.

A resolution will be submitted to the members at the annual general meeting to re-appoint Messrs. C. F. Chu. & Co., Certified Public Accountants, as auditors of the Foundation for the ensuing year.

On Behalf of the Board



Chow Ka Leung Louis
Director
Hong Kong

- 8 OCT 2021

C. F. Chu & Co.

Certified Public Accountants Hong Kong

19/F., On Hong Commercial Building,

145 Hennessy Road, Wanchai, Hong Kong.

Tel: (852) 2527 3143, (852) 2866 7476 Fax: (852) 2529 7193

E-mail: cfchuco@netvigator.com

Proprietor: Chu Chin Fan 朱展帆 BBA FCCA ATIIHK CPA(Practising)

Principal: Anthony Wong Kam Wah 黃錦華 FCCA ACIS ACS CPA(Practising)

朱展帆
會計師行
香港灣仔軒尼詩道
一四五號安樓
商業大廈十九樓

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCOUNTING DEVELOPMENT FOUNDATION LIMITED (Incorporated in Hong Kong with limited liability by guarantee)

Opinion

We have audited the financial statements of Accounting Development Foundation Limited (“the Foundation”) set out on pages 6 to 14, which comprise the statement of financial position as at 30 April 2021, and the income statement and statement of changes in funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Foundation are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard (“SME-FRS”) issued by the 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”) and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard 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 Foundation in accordance with the 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors’ report, 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**
(Incorporated in Hong Kong with limited liability by guarantee)

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with SME-FRS issued by the 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 Foundation'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 Foundation or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Foundation's financial reporting process.

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 HKSAs 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 HKSAs, 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 Foundation's internal control.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ACCOUNTING DEVELOPMENT FOUNDATION LIMITED**
(Incorporated in Hong Kong with limited liability by guarantee)

Auditor's Responsibilities for the Audit of the Financial Statements – Cont'd

- 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 Foundation'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 Foundation to cease to continue as a going concern.

We communicate with the directors 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.



C. F. Chu & Co.
Certified Public Accountants
19th Floor,
On Hong Commercial Building,
145 Hennessy Road,
Wanchai, Hong Kong

- 8 OCT 2021

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2021


	NOTE	2021 HK\$	2020 HK\$
REVENUE			
Seminar and event fee		1,049,385	842,197
Bank interest received		18	2,538
Government subsidy under anti-epidemic fund		54,000	-
Sundry income		-	4,119
		<u>1,103,403</u>	<u>848,854</u>
EXPENDITURE			
Audit fee		6,500	6,500
Bank charge		51,295	45,634
Business registration and licence fee		750	750
Broadcasting charges		45,500	39,000
Computer expenses		4,109	2,470
Depreciation		2,318	5,889
Donation		-	108,470
Insurance		9,270	7,458
MPF contribution		18,000	17,700
Meeting expenses		-	4,200
Printing and stationery		1,531	1,204
Postage		-	1,172
Rental fee		1,764	1,020
Repair and maintenance		-	250
Secretarial fee		-	105
Seminar expenses		258,208	335,549
Sponsorship		8,750	201,034
Staff salary		403,000	399,500
Workshop expenses		-	16,511
Sundry expenses		1,770	4,337
Telephone, internet and hosting fee		1,319	2,686
Website design and development fee		42,000	250,000
		<u>856,084</u>	<u>1,451,439</u>
SURPLUS / (DEFICIT) BEFORE TAXATION		247,319	(602,585)
INCOME TAX CREDIT	4	<u>-</u>	<u>40,000</u>
SURPLUS / (DEFICIT) FOR THE YEAR		<u><u>247,319</u></u>	<u><u>(562,585)</u></u>

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

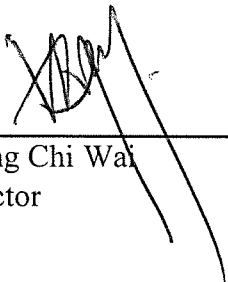
ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	NOTE	2021 HK\$	2020 HK\$
NON-CURRENT ASSETS			
Plant and equipment	5	1,994	4,312
CURRENT ASSETS			
Payment in advance and other deposits		-	75,243
Seminar fee and other receivable		115,375	26,203
Tax recoverable		20,252	30,131
Cash and bank balances		1,152,568	906,981
		1,288,195	1,038,558
CURRENT LIABILITIES			
Accruals		6,500	6,500
NET CURRENT ASSETS			
		1,281,695	1,032,058
NET ASSETS			
		1,283,689	1,036,370
Represented by:			
GENERAL FUND			
		1,283,689	1,036,370

Approved and authorised for issue by the board of directors on **- 8 OCT 2021**



 Chow Ka Leung Louis
 Director



 Yeung Chi Wai
 Director

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

**ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 APRIL 2021**

	<u>General Fund</u>
	HK\$
Balance at 30 April 2019	1,598,955
Deficit for the year	<u>(562,585)</u>
Balance at 30 April 2020	1,036,370
Surplus for the year	<u>247,319</u>
Balance at 30 April 2021	<u><u>1,283,689</u></u>

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

**ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

1. GENERAL INFORMATION

- (a) The Foundation was incorporated under the Laws of Hong Kong with limited liability by guarantee on 25 May 2009. The address of its registered office and principal place of business during the year were originally located at Room B, 16/F., Kiu Fu Commercial Building, 300-306 Lockhart Road, Wanchai.

Effective from 28 June 2020, the address of its registered office and principal place of business have been changed to Room 6A, Lockhart Centre, 301-307 Lockhart Road, Wanchai, Hong Kong.

The Foundation is a private and non-profit making organization. The principal activities of the Foundation are to promote unity and sharing among members in the accounting profession and to provide a forum for the exchange of ideas and experiences by organizing meetings, conventions, seminars, courses, study trips, conferences and exhibitions and other forms of media for the members and the general public.

- (b) The liability of the members is limited under the Foundation's Memorandum and Articles of Association. Every member undertakes to contribute to the assets of the Foundation, in the event of its being wound up for an amount not exceeding HK\$100.

2. BASIS OF PREPARATION

The Foundation qualifies for reporting exemption as a small guarantee company under Section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The Foundation 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.

These financial statements comply with the SME-FRS and have been prepared under the accruals basis of accounting and on the basis that the Foundation is a going concern. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance.

The measurement base adopted is the historical cost convention.

3. PRINCIPAL ACCOUNTING POLICIES

- (a) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of plant and equipment are calculated to allocate the cost of assets less their residual values, if any, over their estimated useful lives on a straight line basis. The principal annual rates used for this purpose are as follows: -

Office equipment	over 3 years
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ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

3. PRINCIPAL ACCOUNTING POLICIES – CONT'D

(b) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including terms of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised 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 amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(c) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Foundation 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.

(d) Trade and other receivable

Trade and other receivables are 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 statement.

(e) Trade and other payable

Trade and other payable are stated at their original invoice amount or cost.

(f) Employee benefits

- (i.) Salaries and other costs of benefits are accrued and recognised as an expense in the year in which the associated services are rendered by employees of the Foundation.
- (ii.) Contributions to Mandatory Provident Funds (MPF) as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the income statement as incurred.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

3. PRINCIPAL ACCOUNTING POLICIES – CONT'D

(g) Related party transactions

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (i.) A person or a close member of that person's family is related to the Foundation if that person:
 - (1.) is a member of the key management personnel of the Foundation or of a parent of the Foundation;
 - (2.) has control over the Foundation; or
 - (3.) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (ii.) An entity is related to the Foundation if any of the following conditions applies:
 - (1.) the entity and the Foundation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2.) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (3.) both entities are joint ventures of a third entity.
 - (4.) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5.) the entity is a post-employment benefit plan for the benefit of employees of either the Foundation or an entity related to the Foundation. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (6.) the entity is controlled or jointly controlled by a person identified in (i.).
 - (7.) a person identified in (i.) (1.) has significant voting power in the entity.
- (iii.) A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(h) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

3. PRINCIPAL ACCOUNTING POLICIES – CONT'D

(i) Recognition of revenue

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

- i. Seminars, events and study tour fee are recognized when the seminars, events and study tours are conducted, and cash is certain for receivable.
- ii. Government subsidy income under anti-epidemic fund is recognised on cash received basis.
- iii. Interest income is recognised on time proportion bases taking into account the principal outstanding and the interest applicable.

(j) Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Foundation expects an outflow of resources to be reimbursed, the reimbursement is recognised as a separate asset when the reimbursement is virtually certain.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefit is remote.

4. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made in the financial statement as the estimated assessable profits for the year can be fully set off by available tax loss brought forward. In 2020, no Hong Kong profits tax has been provided in the financial statements as the Foundation has no assessable profits for the year.

The company has unused tax losses of HK\$301,125 (2020: 496,744) which do not expire under current tax legislation.

	2021	2020
	HK\$	HK\$
Provision for the year	-	-
Less: Tax reduction for 2018/19	-	20,000
Less: Tax reduction for 2019/20	-	20,000
Income tax credit	<u>-</u>	<u>40,000</u>

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

5. PLANT AND EQUIPMENT

	Office equipment HK\$
At Cost	
At 30.4.2020	33,808
Additions	-
At 30.4.2021	<u>33,808</u>
Aggregate depreciation	
At 30.4.2020	29,496
Charge for the year	2,318
At 30.4.2021	<u>31,814</u>
Net Book Value	
At 30.4.2021	<u>1,994</u>
At 30.4.2020	<u>4,312</u>

6. DIRECTORS' REMUNERATION AND OTHER MATTERS RELATING TO DIRECTORS

(a) Directors' remuneration

Remuneration of the directors disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance is as follows: -

	2021 HK\$	2020 HK\$
Fees	-	-
Other emoluments		
-Salaries	-	-
-MPF contribution	-	-
-Benefits other than in cash	-	-
-Discretionary bonuses	-	-
-Retirement benefits and others	-	-
	<u>-</u>	<u>-</u>

- (b) There were no payments made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity while directors during the year.
- (c) There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and other connected entities made during the year.
- (d) There were no consideration provided to or receivable by third parties for making available the services of a person as director or in any other capacity while director during the year.

**ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

7. ADOPTION OF TRADE NAME

The Foundation adopted a trade name “Accounting Development Foundation” to carry out its operation.

8. RELATED PARTY TRANSACTIONS

During the period from 1 May 2020 to 27 June 2020, the administrative office and the address of registered office of the Foundation were located at an office, which was provided by an entity on a complimentary basis without any reimbursement of rental and administrative expenses. A director has control over this entity.

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Foundation had no other material related party transactions during the year, except for the income received by the Foundation in the ordinary course of business, such as seminars, events and study tour fee from the directors.

9. COMPARATIVE FIGURES

Certain comparative figures have been restated and reclassified to conform with the current year’s presentation.