

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

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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 2022.

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 2022 and the state of the Foundation's affairs as at 30 April 2022 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
Poon Kwok Ching
Poon Tsun Wah Gary
Tsui Wing Tak
Yeung Chi Wai
Yuen Siu Bun Edward
Lam Chi Yuen Nelson (resigned on 29 June 2022)

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: -

Chow Ka Leung Louis
Fan Vickie Ping Wai
Poon Kwok Ching
Tsui Wing Tak
Yeung Chi Wai

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

12 DEC 2022

C. F. Chu & Co.

Certified Public Accountants Hong Kong

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一四五號
四樓
商業大廈十九樓

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

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

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 2022, 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 ("HKSA") 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 HKSAAs 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 HKSAAs, 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

12 DEC 2022

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2022

	NOTE	2022 HK\$	2021 HK\$
REVENUE			
Seminar and event fee		798,919	1,049,385
Bank interest received		22	18
Government subsidy under anti-epidemic fund		-	54,000
		<u>798,941</u>	<u>1,103,403</u>
EXPENDITURE			
Audit fee		7,500	6,500
Bank charge		56,795	51,295
Business registration and licence fee		750	750
Broadcasting charges		45,500	45,500
Computer expenses		11,341	4,109
Depreciation		1,994	2,318
Donation		100,000	-
Insurance		11,265	9,270
MPF contribution		27,986	18,000
Printing and stationery		4,578	1,531
Storage rental fee		1,882	1,764
Seminar expenses		193,294	258,208
Sponsorship		10,000	8,750
Staff salary		641,738	403,000
Sundry expenses		3,073	1,770
Telephone, internet and hosting fee		936	1,319
Transportation		188	-
Website design and development fee		-	42,000
		<u>1,118,820</u>	<u>856,084</u>
(DEFICIT) / SURPLUS BEFORE TAXATION		(319,879)	247,319
INCOME TAX EXPENSE	4	<u>-</u>	<u>-</u>
(DEFICIT) / SURPLUS FOR THE YEAR		<u>(319,879)</u>	<u>247,319</u>

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

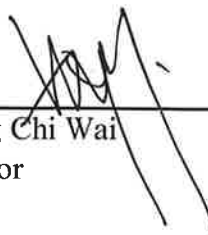
ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	NOTE	2022 HK\$	2021 HK\$
NON-CURRENT ASSETS			
Plant and equipment	5	-	1,994
CURRENT ASSETS			
Seminar fee and other receivable		96,550	115,375
Tax recoverable		-	20,252
Cash and bank balances		874,760	1,152,568
		971,310	1,288,195
CURRENT LIABILITIES			
Accruals		7,500	6,500
NET CURRENT ASSETS			
		963,810	1,281,695
NET ASSETS			
		963,810	1,283,689
Represented by:			
GENERAL FUND			
		963,810	1,283,689

Approved and authorised for issue by the board of directors on **12 DEC 2022**



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 2022**

	General Fund
	HK\$
Balance at 30 April 2020	1,036,370
Surplus for the year	<u>247,319</u>
Balance at 30 April 2021	1,283,689
Deficit for the year	<u>(319,879)</u>
Balance at 30 April 2022	<u><u>963,810</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 2022

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 located at Room 6A, Lockhart Centre, 301-307 Lockhart Road, Wanchai, Hong Kong. For the period from 24 June 2022 to 30 September 2022, the address of its registered office and principal place of business were located at Room B, 16/F., ZJ 300, 300-306 Lockhart Road, Wanchai, Hong Kong.

Effective from 1 October 2022, the address of its registered office and principal place of business have been changed to Room B, 19/F, Kingswell Commercial Tower, 171-173 Lockhart Road, Wan Chai, 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 2022

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) 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.

(d) Trade and other payable

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

(e) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Where the Foundation is the lessor, assets leased by the Foundation under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the income statement on a straight line basis over the lease periods. Where the Foundation is the lessee, payments made under operating leases net of any incentives received from the lessor are charged to the income statement on a straight line basis over the lease periods.

(f) Foreign exchange

The reporting currency of the Foundation is Hong Kong Dollars, which is the currency of the primary economic environment in which the Foundation operates. The financial statements are presented in Hong Kong Dollars.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognized in the income statement.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

3. PRINCIPAL ACCOUNTING POLICIES – CONT'D

(g) 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.

(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.

(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 basis 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.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

3. PRINCIPAL ACCOUNTING POLICIES – CONT'D

(k) 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 Foundation.
 - (6.) the entity is controlled or jointly controlled by a person identified in (i.).
 - (7.) a person identified in (i.) (1.) has significant influence in the entity.
- (iii.) A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

4. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided in the financial statements as the Foundation has no assessable profits for the year. In 2021, 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.

The Foundation has unused tax losses of HK\$519,032 (2021: \$301,125) which do not expire under current tax legislation.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

5. PLANT AND EQUIPMENT

	Office equipment HK\$
At Cost	
At 30.4.2021	33,808
Additions	-
At 30.4.2022	<u>33,808</u>
Aggregate depreciation	
At 30.4.2021	31,814
Charge for the year	1,994
At 30.4.2022	<u>33,808</u>
Net Book Value	
At 30.4.2022	<u>-</u>
At 30.4.2021	<u>1,994</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: -

	2022 HK\$	2021 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 2022**

7. ADOPTION OF TRADE NAME

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

8. EMPLOYEE BENEFIT OBLIGATIONS

The Foundation operates a Mandatory Provident Fund Scheme (the MPF scheme) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

9. RELATED PARTY TRANSACTIONS

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.

10. COMPARATIVE FIGURES

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