

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 25 MAY 2009
(DATE OF INCORPORATION) TO 30 APRIL 2010

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ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

REPORT OF THE DIRECTORS

The directors of Accounting Development Foundation Limited ('the Foundation') present their first report and the audited financial statements for the period from 25 May 2009 (date of incorporation) to 30 April 2010.

INCORPORATION

The Foundation was incorporated in the name of "Accounting Development Foundation Limited" under the laws of Hong Kong on 25 May 2009.

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.

FINANCIAL STATEMENTS

The results of the Foundation for the period from 25 May 2009 (date of incorporation) to 30 April 2010 and the state of affairs of the Foundation as at 30 April 2010 are set out in the accompanying financial statements.

DIRECTORS

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

Chan Mo Po	(First director)
Wong Park Yun	(First director)
Chow Ka Leung, Louis	(First director)
Lam Chi Yuen	(First director)
Ho Hung Wai	(First director)
Chan Chi Kong	(First director)
Chan Suk Sun	(First director)
Yuen Siu Bun, Edward	(First director)
Shui Cheuk Ting	(First director)
Yuen Tsui Shan	(First director)
Lee Sai Fung, Odetta	(First director)
Yeung Chi Wai	(Appointed on 1 January 2010)

In accordance with the Foundation's Articles of Association, the term of office of director shall be two years and a retiring director shall be eligible for re-election.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS

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

AUDITOR

The financial statements for the period 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

CHAN Mo Po [Signed]

Chairman

Date: 16 Oct 2010

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

We have audited the financial statements of Accounting Development Foundation Limited ('the Foundation') set out on pages 5 to 15, which comprise the statement of financial position as at 30 April 2010, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the period from 25 May 2009 (date of incorporation) to 30 April 2010, 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 Hong Kong Financial Reporting Standards 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. This report is made solely to you, as a body, in accordance with section 141 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 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 true and fair 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 directors, as well as evaluating the overall presentation of the financial statements.

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

Auditor's responsibility – cont'd

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 give a true and fair view of the state of the Foundation's affairs as at 30 April 2010 and of its surplus and cash flows for the period then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

[Signed]

C. F. Chu & Co.
Certified Public Accountants
Hong Kong
16 Oct 2010

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 25 MAY 2009
(DATE OF INCORPORATION) TO 30 APRIL 2010

	NOTE	HK\$
INCOME		
Seminar and event fee		176,550
EXPENDITURE		
Audit fee		4,000
Business registration and licence fee		2,973
Internet and hosting fee		5,422
Meeting expenses		14,075
Preliminary expenses		1,525
Seminar expenses		71,564
Study tour fee		24,586
Website design and development fee		28,500
Other operating expenses		5,256
		<u>157,901</u>
SURPLUS BEFORE TAX		18,649
INCOME TAX	3	<u>(3,328)</u>
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>15,321</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 2010

	NOTE	HK\$
CURRENT ASSETS		
Payment in advance and other receivable		136,222
Cash and bank balances		99,387
		235,609
CURRENT LIABILITIES		
Accruals		4,000
Receipt in advance		112,960
Provision for taxation		3,328
		120,288
NET CURRENT ASSETS		115,321
NON-CURRENT LIABILITIES		
Advance from a founder	4	100,000
NET ASSETS		15,321
FUNDS		
General fund		15,321

Approved and authorised for issue by the directors on 16 Oct 2010

CHAN Mo Po [Signed]
 Director

CHOW Ka Leung Louis [Signed]
 Director

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

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF CHANGES IN FUNDS
FOR THE PERIOD FROM 25 MAY 2009
(DATE OF INCORPORATION) TO 30 APRIL 2010

	General fund
	HK\$
Balance at 25 May 2009	-
Surplus for the period	<u>15,321</u>
Balance at 30 April 2010	<u><u>15,321</u></u>

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

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 25 MAY 2009
(DATE OF INCORPORATION) TO 30 APRIL 2010

	HK\$
Cash flows from operating activities	
Surplus before taxation	<u>18,649</u>
Operating cash flows before working capital changes	18,649
Increase in payment in advance and other receivable	(136,222)
Increase in receipt in advance	112,960
Increase in accruals	<u>4,000</u>
Cash used in operating activities	(613)
Cash flows from investing activities	-
Cash flows from financing activities	
Advance from a founder	<u>100,000</u>
Net increase in cash and cash equivalents	<u>99,387</u>
Cash and cash equivalents at 30 April 2010	<u><u>99,387</u></u>

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

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 25 MAY 2009

(DATE OF INCORPORATION) TO 30 APRIL 2010

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 was 34/F., The Lee Gardens, 33 Hysan Avenue, Causeway Bay, 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. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with the applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Foundation is set out below.

(b) Basis of preparation

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

The preparation of financial statements in conformity with HKFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumption continuously, the actual results may differ from these estimates.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 25 MAY 2009 (DATE OF INCORPORATION) TO 30 APRIL 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

(b) Basis of preparation – cont'd

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. However, the management has not made any judgement in the application of HKFRSs that have significant effect on the financial statements nor any estimates with a significant risk of material adjustment on the carrying amounts of assets and liabilities within the next financial year.

(c) Revenue recognition

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

Seminar and event fee is recognized upon the seminars being conducted, the events being held and cash is certain for receivable.

(d) Income tax

Income tax for the year includes current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised directly in equity. In the case if the tax relates to items that are recognised directly to equity, current tax and deferred tax are also recognised directly to equity.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for a period.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively. Temporary differences are the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 25 MAY 2009 (DATE OF INCORPORATION) TO 30 APRIL 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

(d) Income tax – cont'd

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

At each reporting date, the company reviews and assesses the recognised and unrecognised deferred tax assets and the future taxable profit to determine whether any recognised deferred tax assets should be derecognised and any unrecognised deferred tax assets should be recognized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted.

(e) Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortized cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and
- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 25 MAY 2009

(DATE OF INCORPORATION) TO 30 APRIL 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

(e) Trade and other receivables – cont'd

At each balance sheet date, the company assesses whether there is any objective evidence that a receivable or group of receivables is impaired. Impairment losses on trade and other receivables are recognized in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(f) Trade and other payables

Trade and other payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

(g) Provision

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 PERIOD FROM 25 MAY 2009

(DATE OF INCORPORATION) TO 30 APRIL 2010

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

(h) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

For the purpose of the statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Foundation's cash management are included as a component of cash and cash equivalents.

(i) Related parties

For the purposes of these financial statements, a party is considered to be related to the Foundation if:

- i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company, has an interest in the company that gives it significant influence over the company, or has joint control over the company;
- ii) the party is an associate of the company;
- iii) the party is a joint venture in which the company is a venture;
- iv) the party is a member of the key management personnel of the company or its parent;
- v) the party is a close member of the family of any individual referred to (i) or (iv);
- vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to (iv) or (v); or
- vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 25 MAY 2009 (DATE OF INCORPORATION) TO 30 APRIL 2010

3. INCOME TAX

Hong Kong profits tax has been provided in the accounts at rate of 16.5% on the estimated assessable profits for the period.

	HK\$
Provision for the period	<u>3,328</u>

Income tax expense for the period of HK\$3,328 differed from the amount that would result from applying the tax rate of 16.5% to surplus before tax mainly because the preliminary expenses that are recognised in measuring surplus before tax are not tax-deductible under Hong Kong tax laws.

No provision for deferred taxation has been made in the accounts as there are no tax effects on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the accounts.

4. ADVANCE FROM A FOUNDER

Advance from a founder is unsecured, non-interest bearing and has no fixed repayment terms. In the opinion of the directors, no significant part of the amounts will be repaid in the following year.

5. DIRECTORS' REMUNERATION

Remuneration of the directors disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:-

	HK\$
Fees	-
Other emoluments	-
-Salaries	-
-MPF contribution	-
	<u>-</u>
	<u>-</u>

ACCOUNTING DEVELOPMENT FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 25 MAY 2009

(DATE OF INCORPORATION) TO 30 APRIL 2010

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation's major financial instruments include payment in advance and other receivable, accruals and receipt in advance. The risks associated with these financial instruments include credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit Risk

In respect of other receivable, the Foundation's exposure to credit risk is influenced mainly by the individual characteristics of each sundry debtor. At the reporting date, the outstanding amount was insignificant and the credit risk is low.

In order to minimize risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

(b) Liquidity Risk

The Foundation's policy is to regularly monitor current and expected liquidity requirements and to ensure it maintains sufficient amount of cash to meet its liquidity requirements in the short and longer term.

7. ADOPTION OF TRADE NAME

During the period, the Foundation adopted a trade name "Accounting Resources Centre" to carry out its operation.