

HANS ANDERSEN CLUB LIMITED
(Incorporated in Hong Kong with liabilities limited by
guarantee and not having a share capital)

REPORT OF THE EXECUTIVE COMMITTEE
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017



李 湯 陳 會 計 師 事 務 所
LI, TANG, CHEN & CO.
Certified Public Accountants (Practising)
Hong Kong

HANS ANDERSEN CLUB LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017

<u>CONTENTS</u>	<u>PAGE</u>
REPORT OF THE EXECUTIVE COMMITTEE	1 – 2
INDEPENDENT AUDITOR'S REPORT	3 – 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7 – 8
STATEMENT OF CHANGES IN FUNDS AND RESERVES	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 – 31
DETAILED STATEMENT OF FINANCIAL POSITION (BY CENTRES)	32 – 33
DETAILED STATEMENT OF FINANCIAL POSITION (BY RESERVES AND FUNDS)	34 – 35
DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY CENTRES)	36 – 39
DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY RESERVES AND FUNDS)	40 – 42

HANS ANDERSEN CLUB LIMITED

(Incorporated in Hong Kong with liabilities limited by guarantee and not having a share capital)

REPORT OF THE EXECUTIVE COMMITTEE

The financial position of Hans Andersen Club Limited ("the Club") as at 31st March, 2017 is set out in the statement of financial position on page 6 and detailed statement of financial position on pages 32 to 35.

The result of the Club for the year are set out in the statement of comprehensive income on pages 7 to 8 and detailed statement of comprehensive income on pages 36 to 42.

The statement of changes in funds and reserves of the Club for the year is set out on page 9.

The cash flows of the Club for the year is set out in the statement of cash flows on page 10.

PRINCIPAL ACTIVITY

The principal activity of the Club is to provide educational, developmental, social and recreational facilities for children – particularly for underprivileged children in Hong Kong, regardless of race, nationality or religion.

DIVIDENDS

The income and property of the Club shall be applied solely towards the promotion of the Club's objects and no portion of such income and property shall be paid by way of dividend.

RESERVES

Movements in the reserves of the Club during the year are set out on page 9.

EXECUTIVE COMMITTEE

The Executive Committee members who held office during the year and up to date of this report were:-

Professor CHONG Ming Lin, Alice	(Chairperson)
Ms. TAM Wai Yee, Wendy	(Vice Chairperson)
Mr. CHAN Wang Kay, Benjamin	(Honorary Treasurer)
Mr. HUI Ngaifei, Steven	(Honorary Treasurer)
Ms. CHANG Pei Shiu, Angela	
Dr. FUNG Lai Chu, Annis	
Professor Gwendolyn GONG	
Ms. LEUNG Chui Kwan, Brenda	
Dr. LEUNG King Tung, Kate	
Mr. TANG Wai Hung	
Mr. WONG Siu Leung	

All existing Executive Committee members shall retire in the forthcoming annual general meeting in accordance with article 40 of the Club's articles of association and, being eligible, offer themselves for re-election.

HANS ANDERSEN CLUB LIMITED

(Incorporated in Hong Kong with liabilities limited by guarantee and not having a share capital)

REPORT OF THE EXECUTIVE COMMITTEE (CONT'D)

MANAGEMENT CONTRACTS

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


PERMITTED INDEMNITY PROVISIONS

During the year and up to the date of this report, the Club has in force permitted indemnity provisions for the benefit of the Executive Committee. The permitted indemnity provisions are provided for in the Club's Articles of Association.

AUDITORS

The financial statements have been audited by Messrs. Li, Tang, Chen & Co., who retire but, being eligible, offer themselves for re-appointment.

For and on behalf of
the Executive Committee


.....
Chong Ming Lin, Alice
Chairperson

Hong Kong, 26 OCT 2017



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HANS ANDERSEN CLUB LIMITED**

(Incorporated in Hong Kong with liabilities limited by guarantee and not having a share capital)

OPINION

We have audited the financial statements of Hans Andersen Club Limited ("the Club") set out on pages 6 to 42, which comprise the statement of financial position as at 31st March, 2017, and the statement of comprehensive income, statement of changes in funds and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Club as at 31st March, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards for Private Entities ("HKFRS for Private Entities") 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") 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 Club 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.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The members of executive committee are responsible for the other information. The other information comprises the information included in the report of the executive committee detailed statement of financial position and detailed statement of comprehensive income, 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.

to be cont'd/.....

RESPONSIBILITIES OF EXECUTIVE COMMITTEE FOR THE FINANCIAL STATEMENTS

The members of executive committee are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the executive committee determines 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 executive committee responsible for assessing the Club'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 executive committee either intends to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

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. We report our opinion solely to you, as a body, in accordance with section 405 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.

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 Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.

to be cont'd/.....

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONT'D)**

- Conclude on the appropriateness of the executive committee's 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 Club'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 Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Li Tang Chen & Co

Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
10/F Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

26 OCT 2017

AWSP/KKWK:mc

HANS ANDERSEN CLUB LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2017

	<u>Note</u>	<u>2017</u> HK\$	<u>2016</u> HK\$
NON-CURRENT ASSETS			
Plant and equipment	4	494,300	679,132
CURRENT ASSETS			
Deposits, prepayments and other receivables		393,346	175,665
Accounts receivable	5	976,361	1,522,348
Time deposits with maturities more than 3 months	6	602,058	1,956,820
Cash and bank balances	6	7,249,230	5,057,327
		9,220,995	8,712,160
CURRENT LIABILITIES			
Receipts in advance		712,233	1,091,400
Social welfare subvention repayable	7	1,629	42,868
Deferred income	8	2,590,355	1,865,664
Accrued charges	9	196,631	225,413
		3,500,848	3,225,345
NET CURRENT ASSETS		<u>5,720,147</u>	<u>5,486,815</u>
NET ASSETS		<u>6,214,447</u>	<u>6,165,947</u>
RESERVES AND FUNDS			
General fund		2,218,855	2,132,231
SWD reserve			
- Lump sum grant reserve		641,281	636,678
- Provident fund		260,027	259,048
- Central items		8,175	6,890
Fixed assets fund		393,866	469,133
Other designated funds	10	<u>2,692,243</u>	<u>2,661,967</u>
TOTAL RESERVES AND FUNDS		<u>6,214,447</u>	<u>6,165,947</u>

The financial statements on pages 6 to 42 were approved and authorised for issue by the Executive Committee on 26 OCT 2017



Chong Ming Lin, Alice
Chairperson



Chan Wang Kay, Benjamin
Honorary Treasurer

HANS ANDERSEN CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	2017 HK\$	2016 HK\$
INCOME			
Social Welfare Subvention	12	4,462,694	3,972,079
The Hong Kong Jockey Club Charities Trust	13	2,248,018	2,178,203
The Community Chest of Hong Kong	21	1,544,400	1,632,760
Funds from other sources	14	637,319	1,219,335
Children's programmes		2,753,013	2,570,451
Fee income		24,175	25,700
Charity income	15	57,900	56,400
General donations	11	244,621	68,466
Other charity sales		-	1,970
Flag Day income	16	333,784	168,597
Bank interest income		21,249	75,882
Sundry income		38,724	340,730
		<u>12,365,897</u>	<u>12,310,573</u>
EXPENDITURE			
Children's programmes	17	2,005,198	1,946,506
Employee benefit costs	18	7,485,313	6,598,471
Rent and rates		668,626	615,635
Audit fee		33,800	31,100
Bank charges		2,000	2,373
Charity expenses	19	6,500	36,400
Cleaning		23,520	13,132
Depreciation		324,403	434,659
Designated projects expenses	20	1,094,979	1,573,517
Exchange loss		19	137,580
Plant and equipment written off		-	545
Flag Day expenses	16	59,679	44,972
Fund raising activity expenses		-	4,113
Insurance		32,663	33,310
Membership fees		4,700	4,700
Minor purchases		9,620	14,643
Periodicals		4,897	6,074
Printing and stationery		69,489	35,038
Promotion		58,105	71,932
Repair and maintenances		75,897	81,957
Staff recruitment		2,973	710
Staff training and welfare		142,249	53,266
Telephone and postage		63,852	66,340
Transportation		17,318	21,581
Utilities		114,577	114,981
Sundry expenses		17,020	14,822
		<u>12,317,397</u>	<u>11,958,357</u>
Surplus for the year		<u>48,500</u>	<u>352,216</u>

HANS ANDERSEN CLUB LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
Attributable to:		
General fund	288,748	328,424
Other designated funds	(171,848)	230,172
SWD reserve	6,867	35,621
Fixed assets fund	<u>(75,267)</u>	<u>(242,001)</u>
Total comprehensive surplus for the year	<u><u>48,500</u></u>	<u><u>352,216</u></u>

HANS ANDERSEN CLUB LIMITED

STATEMENT OF CHANGES IN FUNDS AND RESERVES

FOR THE YEAR ENDED 31ST MARCH, 2017

	SWD reserve			Other designated funds					Total HK\$	
	General fund HK\$	Lump sum grant reserve HK\$	Provident fund HK\$	Central items HK\$	Fixed assets fund HK\$	Designated Reserve HK\$	Long Term Capital Project Reserve HK\$	Staff Welfare and Development Reserve HK\$		Employer Voluntary Provident Fund Reserve HK\$
Balance at 1.4.2015	2,033,704	563,397	284,136	19,462	711,134	1,496,862	470,177	234,859	-	5,813,731
Total comprehensive surplus for the year ended 31.3.2016	328,424	71,916	(25,088)	(11,207)	(242,001)	-	-	-	230,172	352,216
Central items to Lump sum grant reserve	-	1,365	-	(1,365)	-	-	-	-	-	-
General fund to other designated funds	(229,897)	-	-	-	-	131,370	32,842	65,685	-	-
Balance at 31.3.2016	2,132,231	636,678	259,048	6,890	469,133	1,628,232	503,019	300,544	230,172	6,165,947
Total comprehensive surplus for the year ended 31.3.2017	288,748	4,603	979	1,285	(75,267)	(17,273)	-	(80,570)	(74,005)	48,500
General fund to other designated funds	(202,124)	-	-	-	-	115,499	28,875	57,750	-	-
Balance at 31.3.2017	2,218,855	641,281	260,027	8,175	393,866	1,726,458	531,894	277,724	156,167	6,214,447

HANS ANDERSEN CLUB LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2017

	<u>Note</u>	2017 HK\$	2016 HK\$
OPERATING ACTIVITIES			
Operating surplus for the year		48,500	352,216
Adjustments for:			
Depreciation		324,403	434,659
Plant and equipment written off		-	545
Interest income		(21,249)	(75,882)
Operating cash flows before changes in working capital		351,654	711,538
Increase in deposits, prepayments and other receivables		(217,681)	(20,045)
Decrease/(increase) in accounts receivable		545,987	(235,570)
Decrease in receipts in advance		(379,167)	(278,347)
Decrease in social welfare subvention repayable		(41,239)	(42,523)
Increase in deferred income		724,691	423,291
(Decrease)/increase in accrued charges		(28,782)	46,133
NET CASH GENERATED FROM OPERATING ACTIVITIES		955,463	604,477
		-----	-----
INVESTING ACTIVITIES			
Acquisition of plant and equipment		(139,571)	(83,638)
Decrease/(increase) in time deposits with maturities more than 3 months		1,354,762	(176,155)
Interest received		21,249	75,882
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		1,236,440	(183,911)
		=====	=====
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,191,903	420,566
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		5,057,327	4,636,761
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	7,249,230	5,057,327
		=====	=====

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Hans Andersen Club Limited (the "Club") is engaged in providing educational, developmental, social and recreational facilities for children - particularly for underprivileged children in Hong Kong regardless of race, nationality or religion.

The Club is an organization incorporated under the Hong Kong Companies Ordinance and is limited by guarantee and not having a share capital. In accordance with the Club's Memorandum of Association, every member shall, in the event of the Club being wound up, contribute to the assets of the Club to the extent of HK\$100. The Club's registered office is situated at 5/F., Chuk Yuen Estate Community Centre, 11 Chuk Yuen Road, Wong Tai Sin, Kowloon, Hong Kong.

The Club is exempted under Section 88 of the Hong Kong Inland Revenue Ordinance from any tax by reason of being a charitable institution of a public character.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under historical cost convention and 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 Hong Kong Companies Ordinance.

The significant accounting policies adopted by the Club in arriving at the financial information set out in these financial statements are as follows:

a) Plant and equipment:

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost comprises its purchase cost and any directly attributable costs of bringing the asset to condition and location for intended use. Plant and equipment are derecognised upon disposal or written off when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on derecognition or written off of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the statement of comprehensive income in the year the item is derecognised.

Depreciation is calculated by using the straight line method over their estimated useful lives as follows:-

Furniture and equipment	5 years
Leasehold improvement	5 years

b) Impairment of assets:

The Club reviews the carrying amounts of its assets at the end of each reporting period to determine whether there is any indication that those assets have suffered impairment loss. If the estimated recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense in the statement of comprehensive income.

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Impairment of assets: (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but the said amount will not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised as income in the statement of comprehensive income.

c) Financial instruments:

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Club's financial assets and financial liabilities are carried at amortized cost using the effective interest method, less any identified impairment losses.

d) Cash and cash equivalents:

For the purpose of the statement of financial position, cash and cash equivalents comprise cash at banks and in hand including term deposits, which are not restricted as to use.

For the purpose of the statement of cash flows, 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 which are repayable on demand and form an integral part of the Club's cash management.

e) Reserves and funds:

The nature and purposes of the Club's reserves and funds are as follows:

- i) It was resolved to change Accumulated Fund its name to General Fund by Executive Committee on 2nd August, 2017 with retrospective effect from 1st April, 2016.
- ii) General Fund represents accumulated operating surplus or deficit, after fund transfer, to be carried forward to next financial year.
- iii) SWD Fund represents the accumulated operating surplus or deficit of funds from Social Welfare Department (the "SWD") and is for financing the subvented service activities as set out in the Lump Sum Grant manual and other correspondences with the SWD.
- iv) Fixed Assets Fund represents the net book value of the Club's plant and equipment.
- v) Designated funds are unrestricted amounts earmarked for particular purposes at the discretions of the Club. The income and expenditure relating to these funds are directly dealt with in the statement of comprehensive income.

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Revenue recognition:

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

- i) Government grants and assistances are recognised when there is reasonable assurance that the Club will comply with the conditions attaching to and that the grants and assistances will be received. Accruals basis and income approach are adopted that government grants and assistances be recognised as income on a systematic and rational basis over the relevant periods to match with the related costs. Any amounts need to be refunded to the Government is recorded as subvention surplus repayable on the statement of financial position.

Unspent balance of Government grants received is recorded as deferred income on the statement of financial position.

- ii) Recurrent grants and earmarked grants for specific purposes spent on capital expenditure are initially recorded as deferred income and recognised as income over the useful lives of the related assets when they are put into use, to the extent of the related depreciation expenses incurred for the period.
- iii) Fee income and assistance are recognised on an accruals basis;
- iv) Donation is recognised upon the amount is properly received;
- v) Special donations and benefactions received or receivables (other than for specific purposes spent on capital expenditure which are dealt with as deferred income in note (ii) above) are initially recorded as deferred income and recognised as income over the periods to match with related expenditure.
- vi) Activities income is recognised when the event takes place.

g) Employee benefits:

Contributions to the Club's defined contribution retirement benefits scheme are charged to the statement of comprehensive income as they fall due. Employee's annual leave is recognised when employee has provided related service to the Club.

h) Operating lease:

Leases where substantially all the rewards and risks of ownership of assets remain with the lessors are accounted for as operating leases. Rentals payable under the operating leases are charged to the statement of comprehensive income on the straight-line basis over the lease terms.

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Foreign currency translation:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Club operates (the functional currency). The Club's functional and presentation currency is Hong Kong dollars.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency exchange rates ruling at the financial year end date. All differences are taken into the statement of comprehensive income for the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rates at the date of initial transaction. Non-monetary items measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.

j) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (the "Club").

a) A person, or a close member of that person's family, is related to a Club if that person:

- i) has control or joint control of the Club;
- ii) has significant influence over the Club; or
- iii) is a member of the key management personnel of the Club or of a parent of the Club.

b) An entity is related to a Club if any of the following conditions applies:

- i) The entity and the Club are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit plan for the benefit of employees of either the Club or an entity related to the Club.

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- j) Related parties: (cont'd)
- b) An entity is related to a Club if any of the following conditions applies: (cont'd)
- vi) The entity is controlled or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Club or to the parent of the Club.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The management makes estimates, assumptions and judgements that may affect the reported amounts of revenues, expenses, assets and liabilities and other disclosures in preparation of the financial statements. However, uncertainty about these estimates, assumptions and judgements may lead to outcomes that require material adjustment to the reported carrying amounts of the assets and/or liabilities.

In these financial statements, the management has made the following critical accounting estimates and judgements:-

a) Depreciation and impairment

The Club's accounting policies for depreciation of plant and equipment and impairment have been disclosed in notes 2(a) and 2(b) to the financial statements. The respective amounts are as follows:

	Note	<u>2017</u> HK\$	<u>2016</u> HK\$
Depreciation for the year	4	<u>324,403</u>	<u>434,659</u>

b) Fair values

The Club estimated that the fair values of all items, except plant and equipment, stated in the statement of financial position are approximate to their carrying amounts due to short-term maturities of these assets and liabilities or no significant differences between the carrying and discounted amounts.

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. PLANT AND EQUIPMENT

	<u>Furniture and equipment</u> HK\$	<u>Leasehold improvement</u> HK\$	<u>Total</u> HK\$
Cost:			
At 1 st April, 2015	3,650,570	4,871,347	8,521,917
Additions	83,638	-	83,638
Written off	(57,483)	-	(57,483)
At 31 st March, 2016 and 1 st April, 2016	3,676,725	4,871,347	8,548,072
Additions	139,571	-	139,571
Written off	(22,865)	-	(22,865)
At 31 st March, 2017	3,793,431	4,871,347	8,664,778
	-----	-----	-----
Accumulated depreciation:			
At 1 st April, 2015	3,339,202	4,152,017	7,491,219
Charge for the year	131,098	303,561	434,659
Written off	(56,938)	-	(56,938)
At 31 st March, 2016 and 1 st April, 2016	3,413,362	4,455,578	7,868,940
Charge for the year	108,534	215,869	324,403
Written off	(22,865)	-	(22,865)
At 31 st March, 2017	3,499,031	4,671,447	8,170,478
	=====	=====	=====
Net book value:			
At 31 st March, 2017	294,400	199,900	494,300
	=====	=====	=====
At 31 st March, 2016	263,363	415,769	679,132
	=====	=====	=====

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. ACCOUNTS RECEIVABLE

Accounts receivable represent:

	<u>2017</u> HK\$	<u>2016</u> HK\$
Deacons	5,663	-
District Fire Safety Committees (Islands District)	9,715	14,803
Fu Tak Iam Foundation Limited	-	484,783
L'hotel Management Company Limited	17,150	-
NWS Holdings Limited	106,438	-
Pat Heung Central Primary School	-	8,004
PLK Cheng Kwan How Yin Kindergarten	11,990	-
Scout Association of Hong Kong	3,600	-
Shamshuipo East Happy Teens Club	-	6,900
Sky Connection Limited	5,445	-
Social Welfare Department – grant for rent and rates	-	353,806
Social Welfare Development Fund Phase 3	7,300	-
The Clearwater Bay Golf and Country Club Hong Kong	100,000	-
The Hong Kong Jockey Club Charities Trust	607,006	556,817
The Incorporated Management Committee of S.K.H. Ma On Shan Holy Spirit Primary School	4,576	-
The Youth Programme Co-ordinating Committee	-	18,457
Vibro (HK) Limited	19,780	-
W L Gore & Associates (Hong Kong) Limited	-	21,862
Other receivables	<u>77,698</u>	<u>56,916</u>
	<u>976,361</u>	<u>1,522,348</u>

All of the accounts receivable are expected to be recovered within one year.

6. CASH AND BANK BALANCES

	<u>2017</u> HK\$	<u>2016</u> HK\$
Cash at banks and in hand		
- Saving account and current account	5,872,688	3,871,030
- Time deposits with maturities less than 3 months	1,366,269	1,177,085
- Cash in hand	<u>10,273</u>	<u>9,212</u>
Cash and cash equivalents in the statement of cash flows	<u>7,249,230</u>	<u>5,057,327</u>
Time deposits with maturities more than 3 months	<u>602,058</u>	<u>1,956,820</u>
Cash and bank balances in the statement of financial position	<u>7,851,288</u>	<u>7,014,147</u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. SOCIAL WELFARE SUBVENTION REPAYABLE

This represents:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Deficit of rent and rates	(4,371)	(44,500)
Unspent balance of Social Welfare Development Fund (SWDF) Phase 1	-	87,368
Unspent balance of Social Welfare Development Fund (SWDF) Phase 2	<u>6,000</u>	<u>-</u>
	<u>1,629</u>	<u>42,868</u>

All of the social welfare subvention repayable are expected to be settled within one year or repayable on demand.

8. DEFERRED INCOME

This represents the unspent balance of the following grant and subsidy received:

	<u>2017</u> HK\$	<u>2016</u> HK\$
Credit Suisse (HK) Limited (a)	32,628	33,027
The Community Chest of Hong Kong One-off Supplementary Allocation (b)	-	8,000
Deacons - The ABCs of Law 2016 project (c)	22,541	-
Furniture and Equipment Replenishment and Minor Works Block Grant Reserve (d)	109,112	100,178
Flag Day income 2012 (e)	89,794	92,574
Flag Day income 2014 (f)	240,958	489,692
Flag Day income 2016 (g)	517,757	540,348
Flag Day income 2017 (h)	701,477	-
Fu Tak Iam Foundation Limited (i)	82,101	171,666
Social Welfare Development - Partnership Fund for the Disadvantaged		
- Little Change Markers project (j)	246,270	-
- The ABCs of Law 2016 project (k)	22,541	-
Ng Teng Fong Charitable Foundation (l)	18,333	38,333
Social Welfare Development Fund Phase 1 (m)	-	-
Social Welfare Development Fund Phase 2 (n)	110,573	241,846
Societe Generale - Little Change Makers project (o)	246,270	-
Swire Properties Community Caring Fund - Lamma Story Garden project (p)	<u>150,000</u>	<u>150,000</u>
	<u>2,590,355</u>	<u>1,865,664</u>

All of the deferred income are expected to be recognised as income within one year or be repayable on demand.

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED INCOME (CONT'D)

- a) Movement of funds from Credit Suisse (HK) Limited during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	33,027	33,759
Office equipment	<u>(399)</u>	<u>(732)</u>
Unspent balance c/f	<u>32,628</u>	<u>33,027</u>

- b) Movement of funds from The Community Chest of Hong Kong during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	8,000	-
One-off Supplementary Allocation	-	8,000
Recognised as income in the year	<u>(8,000)</u>	<u>-</u>
Unspent balance c/f	<u>-</u>	<u>8,000</u>

- c) Movement of funds from the Deacons – The ABCs of Law 2016 project during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Donation received	50,000	-
Other income	465	-
Expenditure for the year	<u>(27,924)</u>	<u>-</u>
	<u>22,541</u>	<u>-</u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED INCOME (CONT'D)

- d) Movement of Furniture and Equipment Replenishment and Minor Works Block Grant Reserve during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	100,178	123,063
Income		
Block Grant received from the SWD	46,000	44,000
Interest income received	2*	2*
Expenditure		
Minor Works projects	(1,500)*	(17,032)*
Furniture and equipment	(35,568)*	(49,855)*
Net movement of the year	8,934	(22,885)
Unspent balance c/f	109,112	100,178

* net expenditure amounted to HK\$37,066 (2016: HK\$66,885) (Note 12)

As at 31st March, 2017, the Club has no outstanding commitments in respect of Furniture and Equipment Replenishment and Minor Works Block Grant.

- e) Movement of Flag Day income 2012 during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	92,574	176,784
Funds used for the centres:		
Tai O Centre	-	(44,920)
Lamma Island Centre	(2,780)	(7,376)
The Storyland	-	(31,914)
Unspent balance c/f	89,794	92,574

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED INCOME (CONT'D)

f) Movement of Flag Day income 2014 during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	489,692	529,106
Funds used for the centres:		
Tai O Centre	(131,463)	(27,269)
The Storyland	(69,652)	(12,145)
Administrative support	<u>(47,619)</u>	<u>-</u>
Unspent balance c/f	<u>240,958</u>	<u>489,692</u>

g) Movement of Flag Day income 2016 during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	540,348	-
Surplus of the flag day fund raising event unspent balance for the year	-	540,348
Funds used for the centres:		
Tai O Centre	(16,622)	-
Administration support	<u>(5,969)</u>	<u>-</u>
Unspent balance c/f	<u>517,757</u>	<u>540,348</u>

h) Movement of funds from Flag Day income 2017 during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Surplus of the flag day fund raising event unspent balance for the year and c/f	<u>701,477</u>	<u>-</u>

i) Movement of funds from Fu Tak Iam Foundation Limited during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	171,666	261,231
Recognised as income in the year for refurbishment works	<u>(89,565)</u>	<u>(89,565)</u>
Unspent balance for the year and c/f	<u>82,101</u>	<u>171,666</u>

Deferred income was recognised as income to match the depreciation charges of related assets over their useful lives.

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED INCOME (CONT'D)

- j) Movement of funds from Partnership Fund for the Disadvantaged – Little Change Makers project during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Subvention from SWD	557,888	-
Other income	3,950	-
Expenditure for the year	<u>(315,568)</u>	<u>-</u>
Unspent balance for the year and c/f	<u>246,270</u>	<u>-</u>

- k) Movement of funds from Partnership Fund for the Disadvantaged – The ABCs of Law 2016 project during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Subvention from SWD	50,000	-
Other income	465	-
Expenditure for the year	<u>(27,924)</u>	<u>-</u>
Unspent balance for the year and c/f	<u>22,541</u>	<u>-</u>

- l) Movement of funds from Ng Teng Fong Charitable Foundation during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	38,333	58,333
Recognised as income in the year for refurbishment works	<u>(20,000)</u>	<u>(20,000)</u>
Unspent balance c/f	<u>18,333</u>	<u>38,333</u>

Deferred income was recognised as income to match the depreciation charges of related assets over their useful lives.

- m) Movement of Social Welfare Development Fund Phase 1 during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	-	-
Interest received	<u>-</u>	<u>8</u>
Refundable to SWD	<u>-</u>	<u>8</u>
Unspent balance c/f	<u>-</u>	<u>(8)</u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED INCOME (CONT'D)

- n) Movement of Social Welfare Development Fund Phase 2 during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	241,846	259,890
Subvention received from SWD	116,900	139,400
Interest received	38	26
Expenditure for projects		
Scope A	(44,081)	(27,455)
Scope B	(50,150)	(10,576)
Scope C	(147,980)	(86,439)
Administrative support	-	(33,000)
Refundable to SWD	<u>(6,000)</u>	<u>-</u>
Unspent balance c/f	<u>110,573</u>	<u>241,846</u>

- o) Movement of funds from Societe Generale – Little Change Makers project during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Donation received	557,888	-
Other income	3,950	-
Expenditure for the year	<u>(315,568)</u>	<u>-</u>
Unspent balance for the year and c/f	<u>246,270</u>	<u>-</u>

- p) Movement of funds from Swire Properties Community Caring Fund Lamma Story Garden Project during the year is as follows:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	150,000	-
Earmarked grant for Lamma Story Garden project	<u>-</u>	<u>150,000</u>
Unspent balance c/f	<u>150,000</u>	<u>150,000</u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. ACCRUED CHARGES

This represents:-

	<u>2017</u> HK\$	<u>2016</u> HK\$
Programme expenses	72,700	166,341
Others	<u>123,931</u>	<u>59,072</u>
	<u>196,631</u>	<u>225,413</u>

All of the accrued charges repayable are expected to be settled within one year or repayable on demand.

10. OTHER DESIGNATED FUNDS

		<u>2017</u> HK\$	<u>2016</u> HK\$
Designated Reserve	(a)	1,726,458	1,628,232
Long Term Capital Project Reserve	(b)	531,894	503,019
Staff Welfare and Development Reserve	(c)	277,724	300,544
Employer Voluntary Provident Fund Reserve	(d)	<u>156,167</u>	<u>230,172</u>
		<u>2,692,243</u>	<u>2,661,967</u>

The balances and movements of other designated funds are as follows:-

a) Designated Reserve

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	1,628,232	1,496,862
Transfer from general fund	115,499	131,370
Expenses for Read to Change project	<u>(17,273)</u>	<u>-</u>
Unspent balance c/f	<u>1,726,458</u>	<u>1,628,232</u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. OTHER DESIGNATED FUNDS (CONT'D)

b) Long-Term Capital Project Reserve

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	503,019	470,177
Transfer from general fund	<u>28,875</u>	<u>32,842</u>
Unspent balance c/f	<u><u>531,894</u></u>	<u><u>503,019</u></u>

c) Staff Welfare and Development Reserve

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	300,544	234,859
Expenses for staff training	(80,570)	-
Transfer from general fund	<u>57,750</u>	<u>65,685</u>
Unspent balance c/f	<u><u>277,724</u></u>	<u><u>300,544</u></u>

d) Employer Voluntary Provident Fund Reserve

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unspent balance b/f	230,172	-
Receipt/transfer from general fund	-	303,482
1.8% Employer voluntary provident fund contribution	(75,879)	(73,310)
Interest received	<u>1,874</u>	<u>-</u>
Unspent balance c/f	<u><u>156,167</u></u>	<u><u>230,172</u></u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11. GENERAL DONATIONS

	2017 HK\$	2016 HK\$
HK Productivity Council – The Youth Energy Saving Award	100,000	-
Ng Teng Fong Charitable Foundation	75,000	25,000
Others	69,621	43,466
	<u>244,621</u>	<u>68,466</u>

12. SOCIAL WELFARE SUBVENTION

This represents net amount of subventions/grant from SWD and recognised during the year.

Details are as follows:-

	2017 HK\$	2016 HK\$
Lump Sum Grant received	3,477,532	3,252,164
Other subvention/grants received		
- Rent and rates	399,676	353,806
	<u>3,877,208</u>	<u>3,605,970</u>
Block Grant expenditure recognised as income for the year (note 8(d) above)	37,066	66,885
Partnership Fund for the Disadvantaged expenditure recognised as income during the year	339,077	147,727
Social Welfare Development Fund – phase 1	-	(8)
Social Welfare Development Fund – phase 2	242,173	157,444
Social Welfare Development Fund – phase 3	7,300	-
SWD Subvention-Keep Clean 2015@Hong Kong: Our Home	-	8,000
Subvention surplus recoverable from/ (repayable to) SWD	4,371	(13,939)
Recovery received for previous year	(44,501)	-
	<u>4,462,694</u>	<u>3,972,079</u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13. THE HONG KONG JOCKEY CLUB CHARITIES TRUST

	<u>2017</u> HK\$	<u>2016</u> HK\$
Annual subvention and Pilot/Recurrent project	2,120,749	2,054,766
Summer programmes	<u>127,269</u>	<u>123,437</u>
	<u>2,248,018</u>	<u>2,178,203</u>

14. FUNDS FROM OTHER SOURCES

	<u>2017</u> HK\$	<u>2016</u> HK\$
Charities Aid Foundation America – grant from		
Disney EARS – Storytelling project	31,964	-
Deacons – The ABCs of Law 2016 project	27,459	-
Fu Tak Iam Foundation Limited		
- Refurbishment	89,565	89,565
- Story Buddy project	176,713	638,923
Societe Generale		
- The Story Hub project	-	147,726
- The Odyssey Theatre project	-	114,367
- Little Change Makers project	311,618	-
South China Morning Post - Operation Santa Claus		
2012		
- Reading Freshmen project	-	128,734
The Clearwater Bay Golf and Country Club		
- Book Carousel 2015 project	<u>-</u>	<u>100,020</u>
	<u>637,319</u>	<u>1,219,335</u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. CHARITY INCOME

	<u>2017</u> HK\$	<u>2016</u> HK\$
Ng Teng Fong Charitable Foundation		
- Refurbishment	20,000	20,000
- Office Equipment/repair and maintenance	31,400	15,000
Academic Development programme	<u>6,500</u>	<u>21,400</u>
	<u>57,900</u>	<u>56,400</u>

16. FLAG DAY INCOME AND EXPENSES

	<u>2017</u> HK\$	<u>2016</u> HK\$
Flag Day income 2017/Flag Day income 2016	761,156	585,321
Transfer (to)/from deferred income		
- Flag Day income 2012	2,780	84,210
- Flag Day income 2014	248,734	39,414
- Flag Day income 2016	22,591	(540,348)
- Flag Day income 2017	<u>(701,477)</u>	<u>-</u>
	333,784	168,597
Flag Day expenses 2017/Flag Day expenses 2016	<u>(59,679)</u>	<u>(44,972)</u>
Surplus for the event	<u>274,105</u>	<u>123,625</u>

The flag day fund raising event was held on 21st January, 2017. The purpose of the flag day fund-raising event was to raise fund for recurrent expenses of children and youth services from non-subservent units, including Tai O Centre, Lamma Island Centre, Creative Storytelling service and Headquarters administration support.

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17. CHILDREN'S PROGRAMME

	2017 HK\$	2016 HK\$
Children's programme expenses	2,005,198	1,946,506

18. EMPLOYEE BENEFIT COSTS

	2017 HK\$	2016 HK\$
Staff salaries and allowances	7,675,806	7,233,938
Mandatory provident fund	558,480	536,486
Total employee benefit costs	8,234,286	7,770,424
Other salaries and mandatory provident fund included in:		
Children programme	-	(3,000)
Charities Aid Foundation America – grant from Disney EARS	(7,085)	-
Deacons – The ABCs of Law 2016 project	(18,640)	-
Fu Tak Iam Foundation Limited		
- Story Buddy project	(142,072)	(609,392)
Lotteries Fund Project		
- Social Welfare Development Fund Expense Phase 2	(147,980)	(119,439)
Partnership Fund for the Disadvantaged		
- The Story Hub project	-	(83,468)
- Little Change Makers	(196,403)	-
- The ABCs of Law 2016 project	(18,640)	-
Societe Generale		
- The Odyssey Theatre project	-	(22,350)
- The Story Hub project	-	(83,468)
- Little Change Makers project	(196,403)	-
South China Morning Post Operating Santa Claus 2012		
- Reading Freshmen project	-	(114,700)
The Clearwater Bay Golf & Country Club		
- Book Carousel 2015 project	-	(30,020)
The Community Chest of Hong Kong		
- One-off Supplementary Allocation	-	(84,804)
Website Manpower expenses	(21,750)	(21,312)
Employee benefit costs stated in statement of comprehensive income	7,485,313	6,598,471

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

19. CHARITY EXPENSES

	2017 HK\$	2016 HK\$
Designated Events:		
Ng Teng Fong Charitable Foundation		
- Repair and Maintenance	-	15,000
Academic Development programme	6,500	21,400
	<u>6,500</u>	<u>36,400</u>

20. DESIGNATED PROJECTS EXPENSES

	2017 HK\$	2016 HK\$
Charities Aid Foundation America – grant from		
Disney EARS – Storytelling project	32,789	-
Deacons – The ABCs of Law 2016 project	27,459	-
Fu Tak Iam Foundation Limited		
- Story Buddy project	176,713	638,923
Societe Generale		
- The Story Hub project	-	147,726
- The Odyssey Theatre project	-	114,367
- Little Change Makers project	311,618	-
Social Welfare Department		
- Partnership Fund for the Disadvantaged project	339,077	147,727
Social Welfare Development Fund expenses		
- Phase 1	-	(8)
- Phase 2	192,023	146,868
- Phase 3	7,300	-
SWD Subvention – Keep Clean 2015@Hong Kong:		
Our Home	-	8,000
South China Morning Post Operating Santa Claus 2012		
- Reading Freshmen project	-	128,734
The Clearwater Bay Golf & Country Club		
- Book Carousel 2015 project	-	100,020
The Community Chest of Hong Kong		
- One-off Supplementary Allocation	8,000	141,160
	<u>1,094,979</u>	<u>1,573,517</u>

HANS ANDERSEN CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

21. THE COMMUNITY CHEST OF HONG KONG

	<u>2017</u> HK\$	<u>2016</u> HK\$
Baseline Allocation	1,536,400	1,491,600
One-off Supplementary Allocation (note 8b above)	<u>8,000</u>	<u>149,160</u>
	1,544,400	1,640,760
Unspent balance for the year and c/f	<u>-</u>	<u>(8,000)</u>
Total	<u><u>1,544,400</u></u>	<u><u>1,632,760</u></u>

22. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

No amounts have been paid or payable in respect of Executive Committee members' emoluments, Executive Committee members' or past Executive Committee members' pensions, or for any compensations to Executive Committee members or past Executive Committee members in respect of loss of office during the years ended 31st March, 2017 and 2016.

23. COMMITMENTS UNDER OPERATING LEASES

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	<u>2017</u> HK\$	<u>2016</u> HK\$ (Restated)
Payable:-		
Within one year	556,260	-
Two to five years inclusive	<u>616,260</u>	<u>-</u>
Total	<u><u>1,172,520</u></u>	<u><u>-</u></u>

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF FINANCIAL POSITION (BY CENTRES)

AS AT 31ST MARCH, 2017

	General office HK\$	Diana Boyd Wilson Centre HK\$	Chuk Yuen Centre HK\$	Tai O Centre HK\$	Non-subsent HK\$	Lamma Island Centre HKJC Sunshine Lamma project HK\$	The Storyland and The Story Hub HK\$	Elimination HK\$	Total HK\$
ASSETS									
NON-CURRENT ASSETS									
Plant and equipment	494,300	-	-	-	-	-	-	-	494,300
CURRENT ASSETS									
Deposits, prepayments and other receivables	41,201	75,966	25,900	8,345	20,500	1,602	219,832	-	393,346
Accounts receivable	10,176	23,149	260,898	123	11	618,126	63,878	-	976,361
Time deposits with maturities more than 3 months	192,899	409,159	-	-	-	-	-	-	602,058
Cash and bank balances	5,763,921	945,167	185,444	125,078	-	141,217	88,403	-	7,249,230
Amounts due from other centres	-	744,941	460,963	-	45,690	-	225,868	(1,477,462)	-
	6,008,197	2,198,382	933,205	133,546	66,201	760,945	597,981	(1,477,462)	9,220,995
CURRENT LIABILITIES									
Receipts in advance	388,652	69,460	121,875	7,516	510	1,330	122,890	-	712,233
Social welfare subvention repayable	6,000	(4,371)	-	-	-	-	-	-	1,629
Deferred income	1,760,993	134,194	67,753	4,658	150,000	4,885	525,168	-	2,590,355
Accrued charges	5,788	108,606	-	116,421	-	754,730	4,941	-	196,631
Amounts due to other centres	606,311	-	-	-	-	-	-	(1,477,462)	-
	2,767,744	327,889	189,628	128,595	150,510	760,945	652,999	(1,477,462)	3,500,848
NET CURRENT ASSETS/(LIABILITIES)	3,240,453	1,870,493	743,577	4,951	(84,309)	-	(55,018)	-	5,720,147
NET ASSETS/(LIABILITIES)	3,734,753	1,870,493	743,577	4,951	(84,309)	-	(55,018)	-	6,214,447

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF FINANCIAL POSITION (BY CENTRES)

AS AT 31ST MARCH, 2017

	General office HK\$	Diana Boyd Wilson Centre HK\$	Chuk Yuen Centre HK\$	Tai O Centre HK\$	Lamma Island Centre HKJC Sunshine Lamma project HK\$	The Storyland and The Story Hub HK\$	Elimination HK\$	Total HK\$
RESERVES AND FUNDS								
General fund	1,373,990	416,402	617,520	4,951	(84,309)	(109,699)	-	2,218,855
SWD reserve	-	-	-	-	-	-	-	-
- Lump sum grant reserve	-	641,281	-	-	-	-	-	641,281
- Provident fund	-	260,027	-	-	-	-	-	260,027
- Central items	-	70	8,105	-	-	-	-	8,175
Fixed assets fund	393,866	-	-	-	-	-	-	393,866
Other designated funds	1,966,897	552,713	117,952	-	-	54,681	-	2,692,243
TOTAL RESERVES AND FUNDS	3,734,753	1,870,493	743,577	4,951	(84,309)	(55,018)	-	6,214,447

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF FINANCIAL POSITION (BY RESERVES AND FUNDS)

AS AT 31ST MARCH, 2017

	Social Welfare Department reserve								
	General fund HK\$	Lump sum grant reserve HK\$	Provident fund HK\$	Central items HK\$	Rent and rates HK\$	Fixed assets fund HK\$	Other designated funds HK\$	Elimination HK\$	Total HK\$
ASSETS									
NON-CURRENT ASSETS									
Plant and equipment	-	-	-	-	-	494,300	-	-	494,300
CURRENT ASSETS									
Deposits, prepayments and other receivables	350,302	43,044	-	-	-	-	-	-	393,346
Accounts receivable	953,212	23,149	-	-	-	-	-	-	976,361
Time deposits with maturities more than 3 months	36,732	409,159	-	-	-	-	156,167	-	602,058
Cash and bank balances	4,132,197	317,126	260,027	8,175	(4,371)	-	2,536,076	-	7,249,230
	5,472,443	792,478	260,027	8,175	(4,371)	-	2,692,243	-	9,220,995
CURRENT LIABILITIES									
Receipts in advance	669,643	42,590	-	-	-	-	-	-	712,233
Social welfare subvention repayable	6,000	-	-	-	(4,371)	-	-	-	1,629
Deferred income	2,489,921	-	-	-	-	100,434	-	-	2,590,355
Accrued charges	88,024	108,607	-	-	-	-	-	-	196,631
	3,253,588	151,197	-	-	(4,371)	100,434	-	-	3,500,848
NET CURRENT ASSETS/(LIABILITIES)	2,218,855	641,281	260,027	8,175	-	(100,434)	2,692,243	-	5,720,147
NET ASSETS/(LIABILITIES)	2,218,855	641,281	260,027	8,175	-	393,866	2,692,243	-	6,214,447

HANS ANDERSEN CLUB LIMITED

AS AT 31ST MARCH, 201735 -

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY CENTRES)

FOR THE YEAR ENDED 31ST MARCH, 2017

	General Office		Diana Boyd Wilson Centre		Chuk Yuen Centre		Tai O Centre		Lamma Island Centre		The Storyland		Total
	Non-subvented	Community Chest	FSA activities	Non-FSA activities	Central items	Community Chest - Baseline Allocation	Non-subvented	Non-subvented	Non-subvented	Lamma project	The Storyland and	Elimination	HK\$
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
INCOME													
Social Welfare subvention	-	124,200	3,302,032	96,000	175,500	162,680	90,620	-	-	120,000	584,264	(192,602)	4,462,694
The Hong Kong Jockey Club Charities Trust													
Annual subvention and Pilot/Recurrent project	-	-	-	-	-	-	-	880,300	-	1,240,449	-	-	2,120,749
Summer programmes	-	-	68,839	-	-	24,453	-	13,279	-	20,698	-	-	127,269
The Community Chest of Hong Kong Fund from other sources	-	230,500	-	-	-	1,305,900	-	-	-	-	-	8,000	1,544,400
Charities Aid Foundation America – grant from Disney EARS													
Deacons – The ABCs of Law 2016 project	-	-	-	-	-	-	-	-	-	-	31,964	-	31,964
Fu Tak lam Foundation Limited	-	-	-	50,000	-	-	-	-	-	-	-	(22,541)	27,459
Fu Tak lam Foundation Limited – Story Buddy project	-	-	-	-	-	-	-	-	-	-	-	89,565	89,565
Societe Generale – Little Change Makers project	-	-	-	-	-	-	-	-	-	-	176,713	-	176,713
Children's programmes	-	-	466,524	544,274	-	1,298,529	-	94,385	-	110,785	557,888	(246,270)	311,618
Fee income	-	-	11,825	-	-	12,350	-	-	2,555	-	235,562	599	2,753,013
Charity income	-	6,500	-	-	-	-	-	-	-	-	24,175	-	24,175
General donations	-	40,388	-	-	-	5,500	-	108	31,400	-	198,625	20,000	57,900
Flag Day income	761,156	-	-	-	-	-	-	-	-	-	-	-	244,621
Bank interest income	1,874	15,404	3,965	2	-	3	-	-	-	-	-	(427,372)	333,784
Sundry income	-	35,530	1,257	-	-	1,514	-	262	161	-	-	-	21,249
Recapitalization of capital expenditure	139,571	-	-	-	-	-	-	-	-	-	-	-	38,724
	902,601	452,522	3,854,442	690,276	175,500	2,810,929	90,620	988,334	34,117	1,491,932	1,785,016	(910,392)	12,365,897

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY CENTRES)

FOR THE YEAR ENDED 31ST MARCH, 2017

	General Office		Dianna Boyd Wilson Centre		Chuk Yuen Centre		Tai O Centre		Lamma Island Centre		The Storyland and The Story Hub	Elimination	Total
	Non-subvented	Community Chest - Baseline Allocation	FSA activities	Non-FSA activities	Central items	Community Chest - Baseline Allocation	Non-subvented	Non-subvented HKCJ - CPG	Non-subvented	HKJC - Sunshine Lamma project			
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
EXPENDITURE													
Children's programmes	-	-	500,086	236,794	174,285	780,630	-	94,181	2,425	176,924	39,873	-	2,005,198
Administrative charges	-	-	-	-	-	-	-	54,115	-	-	-	(54,115)	-
Employee benefit costs	75,879	287,702	2,946,751	-	-	1,682,691	-	936,705	-	1,116,903	384,567	54,115	7,485,313
Rent and rates	-	-	195,050	38,130	-	162,680	90,620	-	-	120,000	62,146	-	668,626
Audit fee	-	4,225	12,675	-	-	4,225	-	4,225	-	4,225	4,225	-	33,800
Bank charges	-	-	750	-	-	500	-	250	-	-	-	-	2,000
Charity expenses	-	6,500	-	-	-	-	-	-	31,400	-	-	(31,400)	6,500
Cleaning	-	350	13,460	-	-	8,897	-	274	-	359	180	-	23,520
Depreciation	324,403	-	-	-	-	-	-	-	-	-	-	-	324,403
Charities Aid Foundation America grant from Disney EARS - Storytelling project expenses	-	-	-	-	-	-	-	-	-	-	32,789	-	32,789
Deacons - The ABCs of Law 2016 project expenses	-	-	-	27,459	-	-	-	-	-	-	-	-	27,459
Fu Tak Lam Foundation Limited - Story Buddy project	-	-	-	-	-	-	-	-	-	-	176,713	-	176,713
Societe Generale - Little Change Makers project expenses	-	-	-	-	-	-	-	-	-	-	311,618	-	311,618
Social Welfare Department	-	-	-	-	-	-	-	-	-	-	-	-	-
- Partnership Fund For the Disadvantaged project expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
- Lottery Fund project - Social Welfare Development Fund expenses	-	-	-	27,459	-	-	-	-	-	-	311,618	-	339,077
Phase 2	-	242,173	-	-	-	-	-	-	-	-	-	-	-
Phase 3	-	7,300	-	-	-	-	-	-	-	-	-	(50,150)	192,023
The Community Chest of Hong Kong - One-off Supplementary Allocation expenses	-	-	-	-	-	8,000	-	-	-	-	-	-	7,300
Exchange loss	-	2	-	-	-	-	-	-	-	-	-	-	8,000
	-	-	-	-	37	-	-	-	-	-	17	-	19

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY CENTRES)

FOR THE YEAR ENDED 31ST MARCH, 2017

	General Office		Diana Boyd Wilson Centre		Chuk Yuen Centre		Tai O Centre		Lamma Island Centre		The Storyland and The Story Hub		Total
	Non-subvented	Community Chest - Baseline Allocation	FSA activities	Non-FSA activities	Central items	Community Chest - Baseline Allocation	Non-subvented	HKCI - CPG	Non-subvented	Sunshine Lamma project	HK\$	Elimination	HK\$
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
EXPENDITURE (CONT'D)													
Play Day expense	59,679	-	-	-	-	-	-	4,181	-	4,257	3,163	-	59,679
Insurance	-	4,186	11,031	-	-	5,845	-	-	-	-	-	-	32,663
Membership fees	-	4,700	-	-	-	-	-	-	-	-	-	-	4,700
Minor purchases	-	-	4,387	49,760	-	13,095	-	-	-	-	399	(58,021)	9,620
Periodicals	-	1,934	604	-	-	2,333	-	8	-	-	18	-	4,897
Printing and stationery	-	3,634	20,671	-	-	33,808	-	1,253	-	9,780	343	-	69,489
Promotion	-	6,586	10,695	-	-	10,695	-	13,445	-	10,713	5,971	-	58,105
Repair and maintenances	-	15,543	15,129	1,685	-	14,280	-	4,290	-	15,012	9,958	-	75,897
Staff recruitment	-	-	1,310	-	-	-	-	150	-	1,513	-	-	2,973
Staff training and welfare	-	12,958	23,516	-	-	11,368	5,570	-	76,767	3,533	4,884	-	142,249
Telephone and postage	-	8,106	18,663	13	-	14,574	-	8,452	74	9,835	4,135	-	63,852
Transportation	-	9,783	2,611	-	-	1,397	-	1,095	-	1,947	485	-	17,318
Utilities	-	12,942	27,911	4,541	-	35,919	-	8,253	-	15,932	9,079	-	114,577
Sundry expenses	-	2,009	3,610	-	-	6,936	-	1,889	1,231	999	346	-	17,020
	459,961	631,383	3,808,660	385,841	174,285	2,797,873	96,190	1,136,419	111,897	1,491,932	1,362,527	(139,571)	12,317,397
TOTAL COMPREHENSIVE SURPLUS/ (DEFICIT) FOR THE YEAR	442,640	(178,861)	45,782	304,435	1,215	13,056	(5,570)	(148,085)	(77,780)	-	422,489	(770,821)	48,500
OTHER COMPREHENSIVE INCOME													
Refund to SWD	-	-	(40,130)	-	-	-	-	-	-	-	-	40,130	-
Recognised from/(to) deferred income for the year	(591,912)	178,861	-	(54,016)	-	8,000	-	148,085	2,780	-	(422,489)	730,691	-
TOTAL COMPREHENSIVE SURPLUS/ (DEFICIT) FOR THE YEAR	(149,272)	-	5,652	250,419	1,215	21,056	(5,570)	-	(75,000)	-	-	-	48,500

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY CENTRES)

FOR THE YEAR ENDED 31ST MARCH, 2017

	General Office		Diana Boyd Wilson Centre		Chuk Yuen Centre		Tai O Centre		Lamma Island Centre		The Storyland and The Story Hub		Total
	Non-subvented	Chest - Baseline Allocation	FSA activities	Non-FSA activities	Central items	Chest - Baseline Allocation	Non-subvented	HKCJ - CPG	Non-subvented	Sunshine Lamma project	The Story Hub	Elimination	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Attributable to:													
GENERAL FUND	-	-	-	267,692	-	21,056	-	-	-	-	-	-	288,748
OTHER DESIGNATED FUNDS	(74,005)	-	-	(17,273)	-	-	(5,570)	-	(75,000)	-	-	-	(171,848)
SWD RESERVE	-	-	5,652	-	1,215	-	-	-	-	-	-	-	6,867
FIXED ASSETS FUND	(75,267)	-	-	-	-	-	-	-	-	-	-	-	(75,267)
TOTAL COMPREHENSIVE SURPLUS/ (DEFICIT) FOR THE YEAR	(149,272)	-	5,652	250,419	1,215	21,056	(5,570)	-	(75,000)	-	-	-	48,500

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY RESERVES AND FUNDS)

FOR THE YEAR ENDED 31ST MARCH, 2017

	Social Welfare Department reserve						Other designated funds	Elimination	Total
	General fund	Lump sum grant reserve	Provident fund	Central items	Rent and rates	Fixed assets fund			
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
INCOME									
Social Welfare subvention	1,025,292	2,760,515	211,837	270,000	195,050	-	-	-	4,462,694
The Hong Kong Jockey Club Charities Trust									
Annual subvention and Pilot/Recurrent project	2,120,748	-	-	-	-	-	-	-	2,120,748
Summer programmes	58,430	68,840	-	-	-	-	-	-	127,270
The Community Chest of Hong Kong	1,544,400	-	-	-	-	-	-	-	1,544,400
Fund from other sources									
Charities Aid Foundation America – grant from Disney									
EARS	31,964	-	-	-	-	-	-	-	31,964
Deacons – The ABCs of Law 2016 project	27,459	-	-	-	-	-	-	-	27,459
Fu Tak Iam Foundation Limited	-	-	-	-	-	89,565	-	-	89,565
Fu Tak Iam Foundation Limited – Story Buddy project	176,713	-	-	-	-	-	-	-	176,713
Societe Generale – Little Change Makers project	311,618	-	-	-	-	-	-	-	311,618
Children's programmes	2,286,490	466,523	-	-	-	-	-	-	2,753,013
Fee income	12,350	11,825	-	-	-	-	-	-	24,175
Charity income	37,900	-	-	-	-	20,000	-	-	57,900
General donation	244,621	-	-	-	-	-	-	-	244,621
Flag Day income	333,784	-	-	-	-	-	-	-	333,784
Bank interest income	15,410	3,965	-	-	-	-	1,874	-	21,249
Sundry income	37,467	1,257	-	-	-	-	-	-	38,724
Recapitalization of capital expenditure	-	-	-	-	-	139,571	-	(139,571)	-
	8,264,646	3,312,925	211,837	270,000	195,050	249,136	1,874	(139,571)	12,365,897

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY RESERVES AND FUNDS)

FOR THE YEAR ENDED 31ST MARCH, 2017

Social Welfare Department reserve								
General fund HK\$	Lump sum grant reserve HK\$	Provident fund HK\$	Central items HK\$	Rent and rates HK\$	Fixed assets fund HK\$	Other designated funds HK\$	Elimination HK\$	Total HK\$
EXPENDITURE								
Children's programmes	1,314,094	405,656	-	268,715	-	16,733	-	2,005,198
Administrative charges	54,115	-	-	-	-	-	(54,115)	-
Employee benefit costs	4,408,028	2,735,893	210,858	-	-	76,419	54,115	7,485,313
Rent and rates	473,576	-	-	195,050	-	-	-	668,626
Audit fee	21,125	12,675	-	-	-	-	-	33,800
Bank charges	1,500	500	-	-	-	-	-	2,000
Charity expenses	37,900	-	-	-	-	-	-	6,500
Cleaning	10,060	13,460	-	-	-	-	(31,400)	23,520
Depreciation	-	-	-	-	324,403	-	-	324,403
Charities and Foundation America grant from Disney	-	-	-	-	-	-	-	-
EARs – Storytelling project expenses	32,789	-	-	-	-	-	-	32,789
Deacons – The ABCs of Law 2016 project expenses	27,459	-	-	-	-	-	-	27,459
Fu Tak Iam Foundation Limited – Story Buddy project expenses	176,713	-	-	-	-	-	-	176,713
Societe Generale – Little Change Makers project expenses	311,618	-	-	-	-	-	-	311,618
Social Welfare Department								
- Partnership Fund For the Disadvantaged project expenses	339,077	-	-	-	-	-	-	339,077
- Lottery Fund project – Social Welfare Development Fund expenses								
Phase 2	242,173	-	-	-	-	-	-	242,173
Phase 3	7,300	-	-	-	-	-	(50,150)	7,300
The Community Chest of Hong Kong – One-off Supplementary Allocation expenses	8,000	-	-	-	-	-	-	8,000
Exchange loss	19	-	-	-	-	-	-	19
Play Day expenses	59,679	-	-	-	-	-	-	59,679

(For management purposes only)

HANS ANDERSEN CLUB LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME (BY RESERVES AND FUNDS)

FOR THE YEAR ENDED 31ST MARCH, 2017

	Social Welfare Department Reserve							Total HK\$
	General fund HK\$	Lump sum grant reserve HK\$	Provident fund HK\$	Central items HK\$	Rent and rates HK\$	Fixed assets fund HK\$	Other designated funds HK\$	
EXPENDITURE (CONT'D)								
Insurance	21,632	11,031	-	-	-	-	-	32,663
Membership fee	4,700	-	-	-	-	-	-	4,700
Minor purchases	63,254	4,387	-	-	-	-	-	9,620
Periodicals	4,293	604	-	-	-	-	-	4,897
Printing and stationery	48,818	20,671	-	-	-	-	-	69,489
Promotion	47,410	10,695	-	-	-	-	-	58,105
Repair and maintenances	60,768	15,129	-	-	-	-	-	75,897
Staff recruitment	1,663	1,310	-	-	-	-	-	2,973
Staff training and welfare	38,163	23,516	-	-	-	-	80,570	142,249
Telephone and postage	45,189	18,663	-	-	-	-	-	63,852
Transportation	14,707	2,611	-	-	-	-	-	17,318
Utilities	86,666	27,911	-	-	-	-	-	114,577
Sundry expense	13,410	3,610	-	-	-	-	-	17,020
	7,975,898	3,308,322	210,858	268,715	195,050	324,403	173,722	12,317,397
TOTAL COMPREHENSIVE SURPLUS/(DEFICIT)								
FOR THE YEAR	288,748	4,603	979	1,285	-	(75,267)	(171,848)	48,500