

J LIFE FOUNDATION LIMITED
(Limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2016

W. M. MOO
certified public accountant
毛偉文執業會計師

J LIFE FOUNDATION LIMITED
(Limited by guarantee)

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is a limited company incorporated in Hong Kong. The registered office of the company is located at Flat G, 1/F., Cheong Wah Building, 203-211 Nam Cheong Street, Shamshuipo, Kowloon, Hong Kong.

The principal activities of the company are to help the underprivileged by providing food, daily necessities, education, resource consulting and life skills education.

RESULTS AND APPROPRIATIONS

The results of the company for the year are set out on page 4 of the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 6 to the financial statements.

DIRECTORS

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

Wan Wai Ming
Chan Fan

In accordance with Articles 38 and 39 of the company's Articles of Association, all directors shall retire from office and eligible for re-election.

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' RIGHTS TO ACQUIRE DEBT SECURITIES

At no time during the year was the company a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

MANAGEMENT CONTRACTS

No substantial contracts concerning the management and administration of the company were entered into or existed during the year.

AUDITOR

The financial statements have been audited by Messrs W. M. Moo who retires and, being eligible, offers himself for re-appointment.

On behalf of the board



Director

Hong Kong, 19 April 2017

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

I have audited the financial statements of J Life Foundation Limited set out on pages 4 to 9, which comprise the statement of financial position as at 31 December 2016, and the income and expenditure account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit and to report my opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report.

I conducted my audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that I 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 of the financial statements that give a true and fair view 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its results and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.


W. M. Moo
Certified Public Accountant

Hong Kong, 19 April 2017

J LIFE FOUNDATION LIMITED
(Limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2015	
	HK\$	HK\$
Income		
Donations received	3,277,362	1,629,951
Interest income	<u>40</u>	<u>29</u>
	<u>3,277,402</u>	<u>1,629,980</u>
	-----	-----
Less: Expenses		
Audit fee	6,000	6,000
Bank charges	821	1,402
Depreciation	32,864	26,376
Entertainment	629	-
Event expenses	849,721	461,015
Exchange loss	173	-
Insurance	1,420	-
Legal and professional fees	12,605	12,605
Messing	832	5,824
MPF	34,700	28,250
Printing and stationery	1,523	3,666
Rent, rates and building management fee	454,690	441,910
Repairs and maintenance	6,380	3,980
Salaries	701,200	578,000
Sundry expenses	17,753	13,610
Telephone	10,323	8,327
Travelling	17,602	9,298
Tutor fee	93,780	110,905
Utilities	<u>38,330</u>	<u>26,594</u>
	<u>2,281,346</u>	<u>1,737,762</u>
	-----	-----
Surplus/(Deficit) for the year	996,056	(107,782)
Balance brought forward	<u>1,531,645</u>	<u>1,639,427</u>
Balance carried forward	<u>2,527,701</u>	<u>1,531,645</u>
	=====	=====

J LIFE FOUNDATION LIMITED
(Limited by guarantee)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

			2015
ASSETS	Note	HK\$	HK\$
Non-current assets			
Property, plant and equipment	6	47,439 -----	54,351 -----
Current assets			
Utility and other deposits		60,500	60,500
Cash at bank		<u>2,550,959</u>	<u>1,527,769</u>
		2,611,459	1,588,269
Less: Current liabilities			
Accruals		<u>131,197</u>	<u>110,975</u>
Net current assets		<u>2,480,262</u> -----	<u>1,477,294</u> -----
		<u>2,527,701</u> =====	<u>1,531,645</u> =====
RESERVES			
Accumulated surplus		<u>2,527,701</u> =====	<u>1,531,645</u> =====

湯偉明
Director

J. Man
Director

J LIFE FOUNDATION LIMITED
(Limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2015	
	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating results for the year	996,056	(107,782)
Interest income	(40)	(29)
Depreciation	<u>32,864</u>	<u>26,376</u>
Operating results before working capital changes	1,028,880	(81,435)
Increase in accruals	<u>20,222</u>	<u>59,555</u>
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	1,049,102	(21,880)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(25,952)	(6,396)
Interest received	<u>40</u>	<u>29</u>
NET CASH USED IN INVESTING ACTIVITIES	(25,912)	(6,367)
	-----	-----
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,023,190	(28,247)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>1,527,769</u>	<u>1,556,016</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>2,550,959</u>	<u>1,527,769</u>
	=====	=====
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash at bank	<u>2,550,959</u>	<u>1,527,769</u>
	=====	=====

J LIFE FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is a limited company incorporated in Hong Kong. The registered office of the company is located at Flat G, 1/F., Cheong Wah Building, 203-211 Nam Cheong Street, Shamshuipo, Kowloon, Hong Kong.

The principal activities of the company are to help the underprivileged by providing food, daily necessities, education, resource consulting and life skills education.

2 LEGAL STATUS

The company is limited by guarantee and not having a share capital. The liability of each of its members, in the event of its being wound up while he is a member or within one year after he ceased to be a member for payment of the debts and liabilities of the company contracted before he ceases to be a member, and costs, charges and expenses of winding up, and for the adjustment of right of the contributories among themselves, is limited to an amount not exceeding HK\$100.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance costs, is normally charged to the statement of income and retained earnings in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

Depreciation is calculated on a straight line method at the following rates to write off the costs of the assets over their estimated useful lives.

Furniture and equipment	25% p.a.
Leasehold improvement	25% p.a.

(b) Impairment of non-financial assets, other than inventories

At each reporting date, property, plant and equipment, investment properties, intangible assets, and investments in a subsidiary and an associate are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(c) Cash equivalents

Cash equivalents represent short-term, highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from date of the advances.

(d) Revenue recognition

Donation received is recognized on receipt basis.

Interest income is recognized on the time proportion basis taking into account the principal outstanding and the effective rate of interest applicable.

(e) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments under operating leases are charged to the income and expenditure account on a straight line basis over the period of the relevant leases.

4 TAXATION

No provision for Hong Kong profits tax has been made in the financial statements as the company is entitled to exemption under Section 88 of the Inland Revenue Ordinance with effect from 26 July 2013.

5 DIRECTORS' REMUNERATION

The directors did not receive any remuneration for their services rendered to the company during the year. (2015:Nil)

6 PROPERTY, PLANT AND EQUIPMENT

	Furniture and equipment	Leasehold improvement	Total
	HK\$	HK\$	HK\$
Cost			
At 1.1.2016	75,504	30,000	105,504
Additions	<u>25,952</u>	<u>-</u>	<u>25,952</u>
At 31.12.2016	<u>101,456</u>	<u>30,000</u>	<u>131,456</u>
-----	-----	-----	-----
Accumulated depreciation			
At 1.1.2016	36,153	15,000	51,153
Charge for the year	<u>25,364</u>	<u>7,500</u>	<u>32,864</u>
At 31.12.2016	<u>61,517</u>	<u>22,500</u>	<u>84,017</u>
-----	-----	-----	-----
Net book value			
At 31.12.2016	<u>39,939</u>	<u>7,500</u>	<u>47,439</u>
At 31.12.2015	<u>39,351</u>	<u>15,000</u>	<u>54,351</u>

7 OPERATING LEASE COMMITMENTS

Minimum lease payments paid under operating leases for rented properties during the year amounted to HK\$436,000. (2015:HK\$426,000)

At 31 December 2016, the company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2016	2015
	HK\$	HK\$
Within one year	412,500	286,000
In the second to fifth year inclusive	<u>210,000</u>	<u>52,500</u>
	<u>622,500</u>	<u>338,500</u>

8 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 19 April 2017.