

名仕會計師事務所有限公司  
**DOUGLAS CPA (PRACTISING) LIMITED**

*Certified Public Accountants  
Hong Kong*

JUNIOR ACHIEVEMENT (HONG KONG) LIMITED  
(COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)  
REPORTS  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE, 2016

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 2016**

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## **JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

### **DIRECTORS' REPORT**

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30th June, 2016.

#### **CHANGE OF NAME**

Pursuant to a special resolution passed at an extraordinary meeting held on 31st December, 2015, the name of the Association was changed from Junior Achievement (Hong Kong) Limited 國際成就計劃(香港)有限公司 to Junior Achievement (Hong Kong) Limited 青年成就(香港)有限公司.

#### **PRINCIPAL ACTIVITIES**

The Association is engaged in the purpose of providing young people with practical economic education program and experiences through a partnership between business and education communities and serving as a catalyst for character, creativity and leadership development in the young people of Hong Kong.

#### **THE STATE OF THE ASSOCIATION'S AFFAIRS**

The state of the Association's affairs as at 30th June, 2016 are set out in the financial statements on pages 5 to 11.

#### **PROPERTY, PLANT AND EQUIPMENT**

Details of movements in property, plant and equipment of the Association are set out in note 7 to the financial statements.

#### **DIRECTORS**

The directors of the Association during the year were as follows:

Lo Wing Yan William	
Huang Erwin Steve	
Karen Maria Reddington	
Chui Yuk Shan Lancy	(Appointed on 1st January, 2016)
Chu Richard Yiu Wah	(Appointed on 1st January, 2016)
Lo Wai Sing, Brutus	(Resigned on 1st January, 2016)
DeLisle Paula A	(Resigned on 1st January, 2016)
Wong Stephen Sui Fai	(Resigned on 1st January, 2016)
Chan Ka Yee	(Appointed on 1st January, 2016 and resigned on 1st September, 2016)

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**DIRECTORS' REPORT**

**DIRECTORS - continued**

In accordance with Article 36 of the Association's Articles of Association, Lo Wing Yan William, Huang Erwin Steve and Karen Maria Reddington retire and, being eligible, offer themselves for re-election.

**MANAGEMENT CONTRACTS**

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

**AUDITORS**

A resolution for the re-appointment of Douglas CPA (Practising) Limited as auditors of the Association is to be proposed at the forthcoming annual general meeting.

On behalf of the Board



Lo Wing Yan William  
Chairman

Hong Kong : 7th November, 2016



曾廣業執業會計師 Kwong Yip Tsang  
CPA(Practising); BSc; FCCA; FAIA; FCPA; ATiHK

李兆匡執業會計師 Zion Siu Hong Li  
CPA(Practising); BBA; MCS; MAcc; FCCA; FCPA; Associate(ASA)

名仕會計師事務所有限公司

Douglas CPA (Practising) Limited Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**(incorporated in Hong Kong with limited liability**

**limited by guarantee and not having a share capital)**

We have audited the financial statements of Junior Achievement (Hong Kong) Limited set out on pages 5 to 11 which comprise the statement of financial position as at 30th June, 2016 and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Directors' responsibility for the financial statements**

The directors are responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants 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**

Our responsibility is to express an opinion on these financial statements based on our audit. The report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to PN 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" issued by the 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 about whether the financial statements are free from material misstatement.



曾廣業執業會計師 Kwong Yip Tsang  
CPA(Practising); BSc; FCCA; FAIA; FCPA; ATiHK

李兆匡執業會計師 Zion Siu Hong Li  
CPA(Practising); BBA; MCS; MAcc; FCCA; FCPA; Associate(ASA)

名仕會計師事務所有限公司

Douglas CPA (Practising) Limited Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**(incorporated in Hong Kong with limited liability**

**limited by guarantee and not having a share capital)**

**Auditor's responsibility - continued**

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 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.

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 of the Association for the year ended 30th June, 2016 are prepared, in all material respects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Douglas CPA (Practising) Limited  
Certified Public Accountants

Hong Kong : 7th November, 2016

Tsang Kwong Yip  
Practising Certificate No.: P04076

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30TH JUNE, 2016**

	<u>Notes</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
Revenue	3	7,374,129.30	6,956,801.86
Other income		847.03	500.00
		<u>7,374,976.33</u>	<u>6,957,301.86</u>
Administrative expenses		(7,368,390.11)	(6,939,393.17)
Surplus for the year	4	<u>6,586.22</u>	<u>17,908.69</u>

The annexed notes form part of these financial statements.

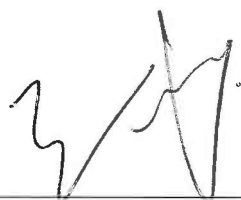
**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2016**

	<u>Notes</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	7	<u>161,167.21</u>	<u>23,156.05</u>
<b>CURRENT ASSETS</b>			
Rental and utility deposits		66,310.00	67,800.00
Others receivable and prepayments		2,297,416.07	1,495,082.69
Cash and bank balances		<u>892,561.17</u>	<u>458,645.11</u>
		<u>3,256,287.24</u>	<u>2,021,527.80</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable		256,759.02	89,480.60
Others payable and accrued expenses		80,726.33	73,332.36
Received in advance		<u>1,633,817.72</u>	<u>442,305.73</u>
		<u>1,971,303.07</u>	<u>605,118.69</u>
<b>NET CURRENT ASSETS</b>		<u>1,284,984.17</u>	<u>1,416,409.11</u>
<b>NET ASSETS</b>		<u>1,446,151.38</u>	<u>1,439,565.16</u>
<b>RESERVE</b>			
Accumulated surplus	8	<u>1,446,151.38</u>	<u>1,439,565.16</u>

The annexed notes form part of these financial statements.

Approved and authorised for issue by the Board of Directors on 7th November, 2016



Lo Wing Yan William  
Director



Chui Yuk Shan Lancy  
Director



**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 2016**

**1. GENERAL**

Under the provision of the Association's Memorandum and Articles of Association, every member shall, in the event of the Association being wound up, contribute such an amount as may be required to meet the liabilities of the Association but not exceeding the sum of HK\$100.00 each.

The Association is registered under the Companies Ordinance as a company limited by guarantee and not having a share capital. It is a non-profit making entity formed for the purpose of providing young people with practical economic education program and experiences through a partnership between business and education communities and serving as a catalyst for character, creativity and leadership development in the young people of Hong Kong. The address of its registered office is Room 801, 8/F., Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

Pursuant to a special resolution passed at an extraordinary meeting held on 31st December, 2015, the name of the Association was changed from Junior Achievement (Hong Kong) Limited 國際成就計劃(香港)有限公司 to Junior Achievement (Hong Kong) Limited 青年成就(香港)有限公司.

The financial statements are presented in Hong Kong dollars, which is also the functional currency of the Association.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The Association qualifies for the reporting exemption as a small guarantee company under section 359 (1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The Association is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the "SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

**(a) Revenue recognised**

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

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 2016**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - continued**

(a) Revenue recognised - continued

- (i) subvention and contribution income are recognised when the Association's right to receive payment has been established; and
- (ii) interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

(b) Foreign currencies

The reporting currency of the Association is Hong Kong Dollars, which is the currency of the primary economic environment in which the Association operates.

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

(c) Taxation

No provision for Hong Kong profits tax has been made as the Association is exempted from tax under Section 88 of the Inland Revenue Ordinance.

(d) Property, plant and equipment and depreciation

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

Depreciation is provided to write off their costs of property, plant and equipment over their estimated useful lives, using the straight line method. The principal annual rates used for depreciation are as follows:

Office equipment	33 $\frac{1}{3}$ %
Leasehold improvement	20%

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 2016**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES - continued**

(e) Impairment of assets

An assessment is made at the end of each reporting year to determine whether there is any indication of impairment or reversal of previous impairment, including terms of property, plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior year.

(f) Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Association are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(g) Accounts and other receivables

Accounts and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of debt becomes doubtful a provision is made and charged to the income statement.

(h) Retirement benefit costs

The Association operates a defined contribution Mandatory Provident Fund retirement benefits scheme in Hong Kong (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The Association's employer contributions vest fully with the employees when contributed into the MPF Scheme.

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 2016**

**3. REVENUE**

An analysis of the Association's revenue is as follows:

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Contribution income	6,903,705.02	6,526,035.22
Contribution income - In kind	470,424.00	430,764.00
Bank interest income	0.28	2.64
	<u>7,374,129.30</u>	<u>6,956,801.86</u>

**4. SURPLUS FOR THE YEAR**

	<u>2016</u>	<u>2015</u>
	HK\$	HK\$
Surplus for the year is arrived at after charging:		
Depreciation	30,918.84	20,160.92
Other staff costs	632,426.90	542,991.53
Rental payment under operating lease in respect of premises	<u>650,424.00</u>	<u>589,845.47</u>
and crediting:		
Exchange gain	<u>0.03</u>	<u>-</u>

**5. DIRECTORS' REMUNERATION**

None of the directors received or will receive any fees or emoluments in respect of their service to the Association during the year (2015: Nil).

**6. TAXATION**

No provision for Hong Kong profits tax has been made as the Association is exempted from tax under Section 88 of the Inland Revenue Ordinance.

**JUNIOR ACHIEVEMENT (HONG KONG) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 2016**

**7. PROPERTY, PLANT AND EQUIPMENT**

	<u>Office equipment</u> HK\$	<u>Leasehold improvement</u> HK\$	<u>Total</u> HK\$
<b>COST</b>			
At 1st July, 2015	67,185.96	-	67,185.96
Additions	28,230.00	140,700.00	168,930.00
Written off	(38,808.00)	-	(38,808.00)
At 30th June, 2016	<u>56,607.96</u>	<u>140,700.00</u>	<u>197,307.96</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 1st July, 2015	44,029.91	-	44,029.91
Charge for the year	16,848.84	14,070.00	30,918.84
Written off	(38,808.00)	-	(38,808.00)
At 30th June, 2016	<u>22,070.75</u>	<u>14,070.00</u>	<u>36,140.75</u>
<b>NET BOOK VALUE</b>			
At 30th June, 2016	<u>34,537.21</u>	<u>126,630.00</u>	<u>161,167.21</u>
At 30th June, 2015	<u>23,156.05</u>	-	<u>23,156.05</u>

**8. CHANGES IN EQUITY**

	<u>Accumulated surplus</u> HK\$
At 1st July, 2014	1,421,656.47
Surplus for the year	17,908.69
At 30th June, 2015	<u>1,439,565.16</u>
Surplus for the year	6,586.22
At 30th June, 2016	<u>1,446,151.38</u>

**9. COMMITMENTS UNDER OPERATING LEASE**

The Association had the following total future minimum lease payments payable under non-cancellable operating leases:

	<u>2016</u> HK\$	<u>2015</u> HK\$
Not later than one year	542,020.00	650,424.00
Later than one year	-	542,020.00
	<u>542,020.00</u>	<u>1,192,444.00</u>