

LIFE WORKSHOP

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016



C. B. WONG & CO.

Certified Public Accountants

王振邦會計師事務所

LIFE WORKSHOP

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

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王振邦
事務所
會計師

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LIFE WORKSHOP
(Registered in Hong Kong under Societies Ordinance)

Report on the Financial Statements

We have audited the financial statements of Life Workshop ("the Society") set out on pages 4 to 13, which comprise the statement of financial position as at 31 March 2016, the general fund - income and expenditure account and statement of changes in general fund for the year then ended, and a summary of significant accounting policies and other explanatory information notes.

Management committee's responsibility for the financial statements

The management committee is 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 for such internal control as the management committee determines 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 and to report our opinion solely to you 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.

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 management committee, 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.



C. B. WONG & CO.

Certified Public Accountants

王振邦
會計事務所

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LIFE WORKSHOP
(Registered in Hong Kong under Societies Ordinance)

Opinion

In our opinion, the financial statements of the Society for the year ended 31 March 2016 are prepared, in all material respects, in accordance with the SME-FRS.

C. B. Wong & Co.
Certified Public Accountants
Hong Kong

Date: 11 JUN 2018

LIFE WORKSHOP

GENERAL FUND - INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED
31 MARCH 2016

	HK\$	2016 HK\$	2015 HK\$
INCOME			
Donations		23,754	19,272
Flag day income (Note 4)		608,062	-
Program income		5,070,395	6,455,957
Subsidies and funding income (Note 5)		7,511,081	6,658,827
Bank interest income		150	326
Other income		107,535	7,780
		-----	-----
		13,320,977	13,142,162
<u>Less: ADMINISTRATIVE AND OTHER OPERATING EXPENSES</u>			
Auditor's remuneration	38,000	38,000	
Bank charges	6,218	1,308	
Depreciation on property, plant and equipment	37,529	47,709	
Flag day expenses (Note 4)	59,345	-	
Insurance	41,747	19,349	
Legal and professional fees	8,500	10,358	
Mandatory provident fund contribution	77,372	88,018	
Postage	289	746	
Printing and stationery	11,282	21,394	
Program expenses	3,510,989	3,530,924	
Repair and maintenance	2,374	1,974	
Rent and rates	641,182	542,893	
Staff salaries	1,605,646	1,802,256	
Staff welfare	260	14,430	
Subsidies and funding expenditure (Note 6)	7,511,081	6,658,827	
Sundry expenses	23,992	15,523	
Telephone, fax and internet	57,113	57,931	
Transportation	456	1,631	
Water and electricity	35,888	45,035	
	-----	-----	-----
		13,669,263	12,898,306
(DEFICIT)/SURPLUS FOR THE YEAR (Note 7)		(348,286)	243,856
		=====	=====

Approved by the Management Committee on 11 JUN 2018


Chui Mang Ling
Chairman


Yip Tsz Kin
Hon Treasurer

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

LIFE WORKSHOP

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	HK\$	2016	2015
			HK\$	HK\$
PROPERTY, PLANT AND EQUIPMENT	10		268,826	306,355
			-----	-----
CURRENT ASSETS				
Subsidies and funding receivables		2,100,175	528,619	
Rental and utility deposits		113,575	110,100	
Prepayments		84,900	48,850	
Bank and cash balances		1,442,648	3,587,233	
		-----	-----	-----
		3,741,298	4,274,802	
		-----	-----	-----
CURRENT LIABILITIES				
Subsidies received in advance	11	2,014,277	2,263,169	
Accruals		108,000	70,000	
Surplus grant refundable to Education Bureau (EDB)	6	134,952	192,197	
CDF Participants Contribution		161,600	-	
Bank overdraft		191,705	307,915	
		-----	-----	-----
		2,610,534	2,833,281	
		-----	-----	-----
NET CURRENT ASSETS			1,130,764	1,441,521
			-----	-----
NET ASSETS			1,399,590	1,747,876
			=====	=====

Financed by:

GENERAL FUND	1,399,590	1,747,876
	=====	=====

Approved by the Management Committee on 11 JUN 2018


Chui Mang Ling
Chairman


Yip Tsz Kin
Hon Treasurer

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

LIFE WORKSHOP

STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED
31 MARCH 2016

	HK\$
Balance at 1 April 2014	1,504,020
Surplus for the year	243,856
 Balance at 31 March 2015	 1,747,876
Deficit for the year	(348,286)
 Balance at 31 March 2016	 1,399,590
	=====

LIFE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

The Society is an unincorporated society registered under the Societies Ordinance.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements comply with the Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the accrual basis of accounting and on the basis that the Society 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) Income recognition

- i) Donations, flag day income and program income are recognized on a cash basis.
- ii) Subsidies and funding income is recognized on an accrual basis.
- iii) Bank interest income is recognized on a time proportion basis on the principal outstanding and at the rate applicable.

(b) Depreciation on property, plant and equipment

Depreciation is calculated to write off the cost of property, plant and equipment over their estimated useful lives on a straight line basis. The principal annual rates used for depreciation are as follows:

Furniture, fixtures and equipment	20%
Leasehold improvement	2%

3. INCOME

The Society is engaged in activities to relieve the poverty and to help people cultivate their potentials and skills for life. Income recognized by the Society during the year are as follows:

	2016 HK\$	2015 HK\$
Donations	23,754	19,272
Flag day income	608,062	-
Program income	5,070,395	6,455,957
Subsidies and funding income	7,511,081	6,658,827
Bank interest income	150	326
Other income	107,535	7,780
Total income	13,320,977	13,142,162
	=====	=====

4. FLAG DAY INCOME

	2016 HK\$	2015 HK\$
Gross receipts	608,062	-
<u>Less: Expenses</u>	<u>-----</u>	<u>---</u>
Advertising	13,295	-
Auditor's remuneration	4,200	-
Computer expenses	3,600	-
Insurance	1,410	-
Postage	3,700	-
Printing and stationery	18,140	-
Security transportation and delivery	15,000	-
	<u>-----</u>	<u>-----</u>
	59,345	-
<u>Net proceeds</u>	<u>-----</u>	<u>---</u>
Net proceeds	548,717	-
	<u>-----</u>	<u>---</u>

Income from the flag day held on 12 December 2015 after deducting the related expenses were fully utilized to support and provide local anti-poverty services, community development services and school supportive services. The utilization of net proceeds is shown below:

	2016 HK\$	2015 HK\$
Local anti-poverty services	198,087	-
Community development services	198,087	-
School supportive services	152,543	-
	<u>-----</u>	<u>-----</u>
	548,717	-
	<u>-----</u>	<u>---</u>

5. SUBSIDIES AND FUNDING INCOME

	Amount utilized 2016 HK\$	Amount utilized 2015 HK\$	Amount approved up to 31/3/2016 HK\$	Amount received in advance as at 31/3/2016 HK\$
EDB Community-based projects on or before 2013/14	-	2,099,665	-	-
EDB Community-based projects 2014/15				
KC1416	51,999	75,545	127,544	-
KT1430	56,714	49,409	106,123	-
N1401	290,025	363,638	653,663	-
SOU1407	233,744	223,687	457,431	-
SSP1422	137,029	131,758	268,787	-
ST1416	88,495	66,332	154,827	-
TM1427	463,945	420,843	884,788	-
TP1401	232,747	224,299	457,046	-
WTS1411	160,508	172,784	333,293	-
WTS1419A	120,276	-	120,276	-
YTM1401	279,395	153,768	433,164	-
EDB Community-based projects 2015/16				
KC1516	219,759	-	-	196,513
KT1524	38,520	-	-	88,417
N1524	404,114	-	-	285,188
SOU1501	182,299	-	-	131,401
SSP1511	69,340	-	-	11,664
ST1542	29,235	-	-	11,671
TM1538	291,135	-	-	233,935
TP1524	256,000	-	-	177,388
WTS1510	266,602	-	-	300,764
YTM1514	157,420	-	-	371,652
Community Care Fund After-school care pilot scheme on or before 2013/14	-	625,842	-	-
Community Care Fund After-school care pilot scheme 2014/15				
N30	57,454	105,746	163,200	-
N31	220,503	279,497	500,000	-
N32	62,980	126,895	189,875	-
N33	123,063	169,437	292,500	-
Community Care Fund After-school care pilot scheme 2015/16				
N30	141,225	-	-	-
N31	184,987	-	-	40,013
N33	95,150	-	-	14,850
HSBC Community Partnership Programme				
2013	-	534,093	-	-
2014	252,698	27,302	280,000	-
2015	88,168	-	-	86,832
Urban Renewal Fund APP120106	803,017	721,894	1,660,704	-
Community Investment And Inclusion Fund 0024-22	688,460	86,393	-	63,989
Children Development Fund SKCY	764,075	-	-	-
	<hr/> 7,511,081	<hr/> 6,658,827	<hr/> 7,083,221	<hr/> 2,014,277

6. SUBSIDIES AND FUNDING EXPENDITURE/
SURPLUS GRANT REFUNDABLE TO EDUCATION BUREAU (EDB)

	Amount approved 2016 HK\$	Amount approved 2015 HK\$	Surplus grant refundable to EDB as at 31/3/2016 HK\$	Surplus grant refundable to EDB as at 31/3/2015 HK\$
EDB Community-based projects on or before 2013/14	-	2,099,665	90,404	192,197
EDB Community-based projects 2014/15				
KC1416	51,999	75,545	1,079	-
KT1430	56,714	49,409	32,233	-
N1401	290,025	363,638	-	-
SOU1407	233,744	223,687	3,344	-
SSP1422	137,029	131,758	7,693	-
ST1416	88,495	66,332	30	-
TM1427	463,945	420,843	-	-
TP1401	232,747	224,299	-	-
WTS1411	160,508	172,784	169	-
WTS1419A	120,276	-	-	-
YTM1401	279,395	153,768	-	-
EDB Community-based projects 2015/16				
KC1516	219,759	-	-	-
KT1524	38,520	-	-	-
N1524	404,114	-	-	-
SOU1501	182,299	-	-	-
SSP1511	69,340	-	-	-
ST1542	29,235	-	-	-
TM1538	291,135	-	-	-
TP1524	256,000	-	-	-
WTS1510	266,602	-	-	-
YTM1514	157,420	-	-	-
Community Care Fund After-school care pilot scheme on or before 2013/14	-	625,842	-	-
Community Care Fund After-school care pilot scheme 2014/15				
N30	57,454	105,746	-	-
N31	220,503	279,497	-	-
N32	62,980	126,895	-	-
N33	123,063	169,437	-	-
Community Care Fund After-school care pilot scheme 2015/16				
N30	141,225	-	-	-
N31	184,987	-	-	-
N33	95,150	-	-	-
HSBC Community Partnership Programme				
2013	-	534,093	-	-
2014	252,698	27,302	-	-
2015	88,168	-	-	-
Urban Renewal Fund APP120106	803,017	721,894	-	-
Community Investment And Inclusion Fund 0024-22	688,460	86,393	-	-
Children Development Fund SKCY	764,075	-	-	-
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	7,511,081	6,658,827	134,952	192,197
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>

7. (DEFICIT)/SURPLUS FOR THE YEAR

(Deficit)/surplus for the year is stated after charging the following:

	2016 HK\$	2015 HK\$
Auditor's remuneration	38,000	38,000
Depreciation on property, plant and equipment	37,529	47,709
Rentals of land and buildings held under operating leases	1,276,250	629,233
Staff costs	3,924,263	5,064,757
	=====	=====

8. TAXATION

The Society is an approved charitable organization and enjoys tax exemption under S.88 of the Inland Revenue Ordinance.

9. MANAGEMENT COMMITTEE MEMBERS' REMUNERATION

During the year, the Society has not paid any remuneration to the Management Committee Members in respect of their services to the society (2015: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK\$	Leasehold improvement HK\$	Total HK\$
Cost			
At 1 April 2015 and at 31 March 2016	273,082	263,260	536,342
	=====	=====	=====
Accumulated depreciation			
At 1 April 2015	214,192	15,795	229,987
Charge for the year	32,264	5,265	37,529
	=====	=====	=====
At 31 March 2016	246,456	21,060	267,516
	=====	=====	=====
Net carrying value			
At 31 March 2016	26,626	242,200	268,826
	=====	=====	=====
At 31 March 2015	58,890	247,465	306,355
	=====	=====	=====

11. SUBSIDIES RECEIVED IN ADVANCE

	2016 HK\$	2015 HK\$
EDB Community-based projects 2014/15		
KC1416	-	27,353
KT1430	-	88,947
N1401	-	159,598
SOU1407	-	144,933
SSP1422	-	92,726
ST1416	-	57,554
TM1427	-	291,051
TP1401	-	144,109
WTS1411	-	93,986
YTM1401	-	201,607
EDB Community-based projects 2015/16		
KC1516	196,513	-
KT1524	88,417	-
N1524	285,188	-
SOU1501	131,401	-
SSP1511	11,664	-
ST1542	11,671	-
TM1538	233,935	-
TP1524	177,388	-
WTS1510	300,764	-
YTM1514	371,652	-
Community Care Fund After-school care pilot scheme 2014/15		
N30	-	57,454
N31	-	220,503
N32	-	62,980
N33	-	123,063
Community Care Fund After-school care pilot scheme 2015/16		
N31	40,013	-
N33	14,850	-
HSBC Community Partnership Programme		
2014	-	168,698
2015	86,832	-
Community Investment and Inclusion Fund		
0024-22	63,989	328,607
	=====	=====
	2,014,277	2,263,169
	=====	=====

12. USE OF FUNDS

All funds raised by the Society must be used for promoting the objectives of the Society as set forth in its constitution. Upon the dissolution of the Society, when all the liabilities have been met, the remaining assets are to be donated to other local charitable organizations.

13. COMMITMENTS UNDER OPERATING LEASES

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

	2016 HK\$	2015 HK\$
Not later than one year	1,158,900	1,162,450
Later than one year	665,000	851,100
	=====	=====
	1,823,900	2,013,550
	=====	=====