

LIFE WORKSHOP

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2017



**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 2017

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*Certified Public Accountants*

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)

### Opinion

We have audited the financial statements of Life Workshop ("the Society") set out on pages 5 to 13, which comprise the statement of financial position as at 31 March 2017, the general fund - income and expenditure account and statement of changes in general fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Society are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 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 Society in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other 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.

### Responsibilities of Management Committee and Those Charged with Governance for the Financial Statements

The management committee is responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, 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.

In preparing the financial statements, the management committee is responsible for assessing the Society'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 management committee either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.



# C.B. WONG & CO.

*Certified Public Accountants*

王振邦  
事務會計所

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

**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. This report is made solely to you, as a body, and for no other purpose. 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management 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 Society'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 Society to cease to continue as a going concern.



**C.B. WONG & CO.**

*Certified Public Accountants*

王振邦  
事務會計師所

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

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.

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

Date: 27 MAY 2019

LIFE WORKSHOP

GENERAL FUND - INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED  
31 MARCH 2017

	HK\$	2017 HK\$	2016 HK\$
<b>INCOME</b>			
Donations	159,013	23,754	
Flag day income	-	608,062	
Program income	6,165,227	5,070,395	
Subsidies and funding income (Note 4)	7,051,910	7,511,081	
Bank interest income	96	150	
Other income	14,801	107,535	
		13,391,047	13,320,977
<b>Less: ADMINISTRATIVE AND OTHER OPERATING EXPENSES</b>			
Auditor's remuneration	40,000	38,000	
Bank charges	15,250	6,218	
Depreciation on property, plant and equipment	26,821	37,529	
Flag day expenses	-	59,345	
Insurance	26,495	41,747	
Legal and professional fees	-	8,500	
Mandatory provident fund contribution	67,983	77,372	
Postage	114	289	
Printing and stationery	16,503	11,282	
Program expenses	2,351,935	3,510,989	
Repair and maintenance	2,350	2,374	
Rent and rates	728,900	641,182	
Staff salaries	1,410,924	1,605,646	
Staff welfare	9,860	260	
Subsidies and funding expenditure (Note 5)	7,051,910	7,511,081	
Sundry expenses	18,402	23,992	
Telephone, fax and internet	57,470	57,113	
Transportation	1,831	456	
Water and electricity	31,957	35,888	
		11,858,705	13,669,263
<b>SURPLUS/(DEFICIT) FOR THE YEAR (Note 6)</b>		1,532,342	(348,286)

Approved by the Management Committee on **27 MAY 2019**

  
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.

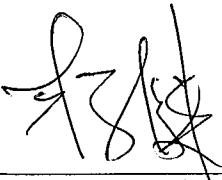
LIFE WORKSHOP

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	HK\$	2017 HK\$	2016 HK\$
PROPERTY, PLANT AND EQUIPMENT	9		242,005	268,826
<b>CURRENT ASSETS</b>				
Subsidies and funding receivables		2,351,719	2,100,175	
Rental and utility deposits		113,575	113,575	
Prepayments		35,000	84,900	
Bank and cash balances		2,410,847	1,442,648	
		4,911,141	3,741,298	
<b>CURRENT LIABILITIES</b>				
Subsidies received in advance	10	1,340,400	2,014,277	
Accruals		148,000	108,000	
Surplus grant refundable to Education Bureau (EDB)	5	192,326	134,952	
CDF Participants Contribution		365,700	161,600	
Bank overdraft		174,788	191,705	
		2,221,214	2,610,534	
<b>NET CURRENT ASSETS</b>			2,689,927	1,130,764
<b>NET ASSETS</b>			2,931,932	1,399,590
Financed by:				
GENERAL FUND			2,931,932	1,399,590

Approved by the Management Committee on **27 MAY 2019**

  
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 2017

	HK\$
Balance at 1 April 2015	1,747,876
Deficit for the year	(348,286)
Balance at 31 March 2016	1,399,590
Surplus for the year	1,532,342
Balance at 31 March 2017	2,931,932

## 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:

	2017 HK\$	2016 HK\$
Donations	159,013	23,754
Flag day income	-	608,062
Program income	6,165,227	5,070,395
Subsidies and funding income	7,051,910	7,511,081
Bank interest income	96	150
Other income	14,801	107,535
Total income	13,391,047	13,320,977
	=====	=====

4. SUBSIDIES AND FUNDING INCOME

	Amount utilized 2017 HK\$	Amount utilized 2016 HK\$	Amount approved up to 31/3/2017 HK\$	Amount received in advance as at 31/3/2017 HK\$
EDB Community-based projects on or before 2014/15	-	2,114,877	-	-
EDB Community-based projects 2015/16				
KC1516	223,455	219,759	443,214	-
KT1524	120,150	38,520	158,669	-
N1524	455,724	404,114	859,838	-
SOU1501	209,389	182,299	391,689	-
SSP1511	28,047	69,340	97,386	-
ST1542	21,898	29,235	51,133	-
TM1538	317,495	291,135	608,630	-
TP1524	250,957	256,000	506,957	-
WTS1510	442,128	266,602	708,730	-
YTM1514	325,720	157,420	483,140	-
EDB Community-based projects 2016/17				
KC1612	43,041	-	-	29,567
KT1615	12,572	-	-	18,740
N1616	487,432	-	-	299,708
SOU1608	177,009	-	-	83,071
SSP1622	24,886	-	-	12,574
SSP1631A	68,299	-	-	79,539
TM1602	55,314	-	-	105,396
TP1607	55,045	-	-	37,757
WTS1614	166,765	-	-	96,111
YTM1608	79,280	-	-	136,118
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				
N30	128,775	141,225	270,000	-
N31	265,013	184,987	450,000	-
N33	124,850	95,150	220,000	-
HSBC Community Partnership Programme 2014	-	252,698	-	-
2015	159,149	88,168	247,316	-
Urban Renewal Fund APP120106	-	803,017	-	-
APP160314	987,373	-	-	-
Community Investment And Inclusion Fund 0024-22	845,731	688,460	-	-
Children Development Fund 5KCY	818,105	764,075	-	441,819
6TPN	158,308	-	-	-
	<u>7,051,910</u>	<u>7,511,081</u>	<u>5,496,702</u>	<u>1,340,400</u>

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

	Amount approved 2017 HK\$	Amount approved 2016 HK\$	Surplus grant refundable to EDB as at 31/3/2017 HK\$	Surplus grant refundable to EDB as at 31/3/2016 HK\$
EDB Community-based projects on or before 2014/15	-	2,114,877	146,394	134,952
EDB Community-based projects 2015/16				
KC1516	223,455	219,759	-	-
KT1524	120,150	38,520	-	-
N1524	455,724	404,114	-	-
SOU1501	209,389	182,299	-	-
SSP1511	28,047	69,340	-	-
ST1542	21,898	29,235	-	-
TM1538	317,495	291,135	-	-
TP1524	250,957	256,000	-	-
WTS1510	442,128	266,602	-	-
YTM1514	325,720	157,420	45,932	-
EDB Community-based projects 2016/17				
KC1612	43,041	-	-	-
KT1615	12,572	-	-	-
N1616	487,432	-	-	-
SOU1608	177,009	-	-	-
SSP1622	24,886	-	-	-
SSP1631A	68,299	-	-	-
TM1602	55,314	-	-	-
TP1607	55,045	-	-	-
WTS1614	166,765	-	-	-
YTM1608	79,280	-	-	-
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				
N30	128,775	141,225	-	-
N31	265,013	184,987	-	-
N33	124,850	95,150	-	-
HSBC Community Partnership Programme 2014	-	252,698	-	-
2015	159,149	88,168	-	-
Urban Renewal Fund APP120106	-	803,017	-	-
APP160314	987,373	-	-	-
Community Investment And Inclusion Fund 0024-22	845,731	688,460	-	-
Children Development Fund 5KCY	818,105	764,075	-	-
6TPN	158,308	-	-	-
	<u>7,051,910</u>	<u>7,511,081</u>	<u>192,326</u>	<u>134,952</u>

## 6. SURPLUS/(DEFICIT) FOR THE YEAR

Surplus/(deficit) for the year is stated after charging the following:

	2017 HK\$	2016 HK\$
Auditor's remuneration	40,000	38,000
Depreciation on property, plant and equipment	26,821	37,529
Rentals of land and buildings held under operating leases	1,248,900	1,276,250
Staff costs	3,146,665	3,924,263
	=====	=====

## 7. TAXATION

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

## 8. 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 (2016: Nil).

## 9. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK\$	Leasehold improvement HK\$	Total HK\$
Cost			
At 1 April 2016 and at 31 March 2017	273,082	263,260	536,342
Accumulated depreciation			
At 1 April 2016	246,456	21,060	267,516
Charge for the year	21,556	5,265	26,821
At 31 March 2017	268,012	26,325	294,337
Net carrying value			
At 31 March 2017	5,070	236,935	242,005
At 31 March 2016	26,626	242,200	268,826

10. SUBSIDIES RECEIVED IN ADVANCE

	2017 HK\$	2016 HK\$
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	
EDB Community-based projects 2016/17		
KC1612	29,567	
KT1615	18,740	
N1616	299,708	
SOU1608	83,071	
SSP1622	12,574	
SSP1631A	79,539	
TM1602	105,396	
TP1607	37,757	
WTS1614	96,111	
YTM1608	136,118	
Community Care Fund After-school care pilot scheme 2015/16		
N31	- 40,013	
N33	- 14,850	
HSBC Community Partnership Programme 2015	- 86,832	
Community Investment and Inclusion Fund 0024-22	- 63,989	
Children Development Fund SKCY	441,819	
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	1,340,400	2,014,277
	=====	=====

## 11. 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.

## 12. COMMITMENTS UNDER OPERATING LEASES

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

	2017 HK\$	2016 HK\$
Not later than one year	1,212,000	1,158,900
Later than one year	938,000	665,000
	=====	=====
	2,150,000	1,823,900
	=====	=====