

HOUSE OF LEARNING LIMITED

腦之家有限公司

(incorporated in Hong Kong with limited by guarantee)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**



何瑞祥會計師事務所

SPENCER HO CPA & CO.

Certified Public Accountants

HOUSE OF LEARNING LIMITED
腦之家有限公司
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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HOUSE OF LEARNING LIMITED
腦之家有限公司
REPORT OF THE DIRECTORS

The directors (Executive Committees) of House of Learning Limited ('the Association') present their annual report together with the audited financial statements for the year ended 31 March 2017.

The Association qualifies for the reporting exemption as a small guarantee Association under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is exempted from making certain disclosures in this directors' report.

PRINCIPAL ACTIVITIES

House of Learning Limited is an Association incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room F., 9/F., High Win Factory Building, 47 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong. The principal activities of the Association were engaging in provision of charitable social services.

RESULTS AND APPROPRIATIONS

The results of the Association for the year ended 31 March 2017 and the state of affairs of the Association at that date are set out in the financial statements on pages 6 to 11.

NON-PROFIT ORGANIZATION

The Association has been approved as being a charitable institution and is exempt from Hong Kong profit tax under Section 88 of the inland Revenue Ordinance.

DIRECTORS

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

Ching Suk Yin
Leung Yuen Ming

There is no provision in the Association's Articles of Association in respect of rotation or retirement of the directors, all directors remain in the office for the ensure year.

LEGAL STATUS

The Association is incorporated under the Companies Ordinance and limited by guarantee.

Under the provision of the Association's Memorandum and Articles of Association, every member shall , in the event of the Institute being wound up, contribute to the assets of the Association to the extent of HK\$10.00.

HOUSE OF LEARNING LIMITED

腦之家有限公司

REPORT OF THE DIRECTORS (CONTINUED)

MANAGEMENT CONTRACT

The Association did not enter into any contract, other than the contracts of service with the directors or any person engaged in the full time employment of the Association, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any activities of the Association.

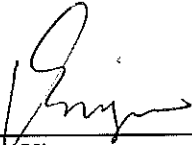
HONORARY AUDITOR

The financial statements have been audited by Spencer Ho CPA & Co. Certified Public Accountants, who retire and, being eligible, offers himself for re-appointment. A resolution for the re-appointment of Spencer Ho CPA & Co, CPA as the Association's auditor is to be proposed at the forthcoming annual general meeting.

APPROVAL OF DIRECTORS' REPORT

This report was approved by the director on 19 April 2018

By order of the directors



Ching Suk Yin

Chairman

Hong Kong



何瑞祥會計師事務所

SPENCER HO CPA & CO.

Certified Public Accountants

香港九龍長沙灣道21-25號長豐商業大廈702室
Room 702, Cheung Fung Commercial Building
21-25 Cheung Sha Wan Road, Kln, Hong Kong
Tel: 3426-7100 Fax: 3585-5119
Email: info@spencerhocpa.com

**INDEPENDENT HONORARY AUDITOR'S REPORT
TO THE MEMBERS OF
HOUSE OF LEARNING LIMITED
腦之家有限公司
(Incorporated in Hong Kong with limited by guarantee)**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of House of Learning Limited set out on pages 6 to 11, which comprise the balance sheet as at 31 March 2017, and the income statement, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory informations.

In our opinion, the financial statements of the Association are prepared, in all materials 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") 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 and with reference to Practice Note 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. 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 Association 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.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the directors' report, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we do not required to report that fact. We have nothing to report in this regard.



**INDEPENDENT HONORARY AUDITOR'S REPORT
TO THE MEMBERS OF
HOUSE OF LEARNING LIMITED
腦之家有限公司
(Incorporated in Hong Kong with limited by guarantee)**

**RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE
FINANCIAL STATEMENTS**

The directors are responsible for the preparation of these 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 (HKICPA) 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.

In preparing the financial statements, the director are responsible for assessing the Association'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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

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. It is our responsibilities to form an independent opinion, based on our audit, on the financial statements and to report our opinion 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.

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.



INDEPENDENT HONORARY AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF
HOUSE OF LEARNING LIMITED
腦之家有限公司
(Incorporated in Hong Kong with limited by guarantee)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUE)

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, bases on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a materials 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 Association to cease to continue as a going concern.

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.

Spencer Ho CPA & Co.
Certified Public Accountants (Practising)
Hong Kong 19 April 2018

HOUSE OF LEARNING LIMITED
腦之家有限公司
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

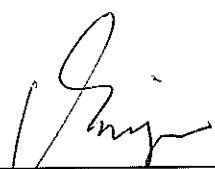
		2017	2016
		HK\$	HK\$
INCOME	Note		
Donation received from members		395,696.75	829,621.00
Activity income		306,452.75	471,780.00
Bank interest income		38.25	88.00
	4	702,187.75	1,301,489.00
EXPENDITURE			
Accounting fee		28,656.00	28,656.00
Advertising fee		26,717.00	936.00
Auditor's remuneration		9,800.00	7,800.00
Activity expenses		952,957.12	430,765.00
Bank charges		140.00	70.00
Concert expenses		0.00	306,130.00
Employee incentive		0.00	8,150.00
Entertainment		14,288.15	14,495.00
Local travelling		7,181.20	5,288.00
Membership fee		-	7,000.00
Office supplies		60.00	98.00
Printing and stationery		5,931.00	4,407.00
Postage and courier		63.50	46.00
Professional fee		-	1,000.00
Rent and rates		36,060.00	6,720.00
Repair and maintenance		5,550.00	600.00
Salaries and allowance		157,272.90	151,409.00
Secretarial fee		4,000.00	4,000.00
Staff benefits and welfare		-	1,160.00
Sundry expense		105.00	731.00
Telephone and fax		1,843.26	3,775.00
Training expenses		570.00	520.00
Transportation		-	318.00
TOTAL EXPENSES		1,251,195.13	984,074.00
(DEFICT) / SURPLUS FOR THE YEAR		(549,007.38)	317,415.00
GENERAL FUNDS BROUGHT FORWARD		1,263,712.84	946,298.00
GENERAL FUNDS CARRIED FORWARD		714,705.46	1,263,712.84

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

HOUSE OF LEARNING LIMITED
 腦之家有限公司
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Notes	2017 HK\$	2016 HK\$
CURRENT ASSETS			
Deposit paid		1,210.00	-
Account receivable		3,280.00	4,480.00
Prepayment and other receivable		376,153.88	36,223.84
Cash and cash equivalents		451,721.58	1,238,426.00
		<u>832,365.46</u>	<u>1,279,129.84</u>
CURRENT LIABILITIES			
Receipt in advance		47,124.00	-
Accrued charges		70,536.00	15,417.00
		<u>117,660.00</u>	<u>15,417.00</u>
NET CURRENT LIABILITIES		<u>714,705.46</u>	<u>1,263,712.84</u>
TOTAL NET LIABILITIES		<u>714,705.46</u>	<u>1,263,712.84</u>
FUND			
General fund -surplus		<u>714,705.46</u>	<u>1,263,712.84</u>
NET FUND BALANCE		<u>714,705.46</u>	<u>1,263,712.84</u>

Approved by



 Ching Suk Yin
 Director



 Leung Yuen Ming
 Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

HOUSE OF LEARNING LIMITED

腦之家有限公司

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. REPORTING ENTITY

House of Learning Limited is an Association incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room F., 9/F., High Win Factory Building, 47 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong. The principal activities of the Association were engaging in provision of charitable social services.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Association qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its 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.

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 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 recognition

Revenue is recognised when it is probable that the economic benefits associate with the revenue transaction will flow to the Association and the revenue and the costs, if any, in respect of the transaction can be measured reliably, revenue is recognised as follows:

- i) Donations are recognised as the income when they are received by the Association.
- ii) Activity income is recognised when the activity is performed.
- iii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rate applicable

b. Taxation

No provision for Hong Kong profits tax is made in the accounts as the Association is an approved charitable institution, and is exempt from Hong Kong profits tax under section 88 of the Inland Revenue Ordinance.

e. Other receivable

Other receivable are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful, a provision is made and changed to income statement.

HOUSE OF LEARNING LIMITED

腦之家有限公司

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

f Other payable

Other payable are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice.

g. Employee benefits

i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave and the cost to the Association of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Association.

ii) Contributions to defined contribution retirement plans

Employee entitlements to salaries, annual bonuses, paid annual leave and the cost to the Association of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Association.

h. Related party

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (1) A person or a close member of that person's family is related to the Association if that person:
 - i) is a member of the key management personnel of the Association or of a parent of the Association;
 - ii) has control over the Association; or
 - iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (2) An entity is related to the Association if any of the following conditions applies:
 - i) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member);
 - iii) both entities are joint ventures of a third entity;
 - iv) either 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 Association or an entity related to the Association. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan;
 - vi) the entity is controlled or jointly controlled by a person identified in (1); or
 - vii) a person identified in (1)(i) has significant voting power in the entity.

HOUSE OF LEARNING LIMITED

腦之家有限公司

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017****3. TRANSITION FROM HKFRS FOR PRIVATE ENTITIES TO SME-FRF AND SME-FRS**

The Company's financial statement for the year ended 31 March 2017 are its first annual financial statements prepared under accounting policies that comply with the Small and Medium-sized Entity Financial Reporting Framework ("SME-FRF") and SME-FRS. The Company applied Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) to prepared its financial statements prior to the application of SME-FRF and SME-FRS.

The Transition from HKFRS for Private Entities to SME-FRF and SME-FRS did not affect materially to the Company's reported financial position and financial performance

The transition did not result in substantial changes to the Company's accounting policies and it basically affects the presentation and disclosures of the financial statements only since the Company's accounting policies already comply with SME-FRF and SME-FRS.

4. INCOME

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

	2017	2016
	HK\$	HK\$
Donation received from members	395,696.75	420,000.00
Activity income	306,452.75	603,274.00
Bank interest income	38.25	-
	<u>702,187.75</u>	<u>1,023,274.00</u>

5. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) are as follows:

	2017	2016
	HK\$	HK\$
Fees	-	-
Other emoluments		
Salaries, allowances and other benefits	-	-
Mandatory Provident Fund contributions	-	-
	<u>-</u>	<u>-</u>

6. LIABILITIES OF MEMBERS

The liabilities of members of the Association are limited by members' guarantee to the extent not exceeding of HK\$10.00

HOUSE OF LEARNING LIMITED

腦之家有限公司

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. GENERAL FUND

	2017	2016
	HK\$	HK\$
As at 1 April 2016	1,263,713.00	946,298.00
(Deficit)/ Surplus for the year	<u>(549,007.38)</u>	<u>317,415.00</u>
As at 31 March 2017	<u><u>714,705.62</u></u>	<u><u>1,263,713.00</u></u>

8. APPROVAL OF THE FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the company's Board of Association on 19 April 2018.