

**THE JOYOUS FOUNDATION LIMITED**

樂兒計劃成長基金有限公司

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2015**

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**范 陳 會 計 師 行**  
***FAN, CHAN & CO.***

CERTIFIED PUBLIC ACCOUNTANTS

HONG KONG

The directors present herewith their report and the audited financial statements for the year ended 31 December, 2015.

### **Principal activity**

The principal activity of The Joyous Foundation Limited ("the Company") is provision of positive and creative activities to students through musical training principally to secondary school students in Hong Kong. There were no significant changes in the nature of the Company's principal activity during the year.

### **Financial statements**

The results of the Company for the year ended 31 December, 2015 and the state of affairs of the Company at that date are set out in the financial statements on pages 5 to 13.

### **Reserves**

Details of movements in the reserves of the Company for 2015 are set out in the statement of changes in equity.

### **Directors**

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

Lum Hon Yeung, Terence  
Lee Woon Ming, Wendy  
Tam Ho Hon William  
Mak Ho Lun  
Lam Yuen Ming

There being no provision to the contrary in the Company's Articles of Association, remaining directors continue in office.

### **Management contracts**

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

### **Business review**

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

**Equity-linked arrangements**

During the financial year, the Company entered into no equity-linked agreement.

At the end of the financial year, the Company subsisted of no equity-linked agreement.

**Auditor**

A resolution to reappoint Messrs. Fan, Chan & Co. as auditor of the Company will be put at the forthcoming annual general meeting.

For and on behalf of the Board

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Lee Woon Ming, Wendy  
Chairman  
Dated, 20 September, 2016

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF THE JOYOUS FOUNDATION LIMITED**  
樂兒計劃成長基金有限公司

(incorporated in Hong Kong with limited liability by guarantee)

We have audited the financial statements of Joyous Foundation Limited set out on pages 5 to 13, which comprise the statement of financial position as at 31 December, 2015, and the statement of comprehensive income, statement of cash flows and statement of changes in equity 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 Standard for Private Entities 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, and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 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 judgement, 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF THE JOYOUS FOUNDATION LIMITED**  
樂兒計劃成長基金有限公司

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December, 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

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Fan, Chan & Co.  
Certified Public Accountants  
Hong Kong, 20 September, 2016

THE JOYOUS FOUNDATION LIMITED

樂兒計劃成長基金有限公司

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER, 2015

	Note	2015 HK\$	2014 HK\$
Revenue	(4)	338,700	427,100
Other revenue	(4)	1	1
Instructors' fee		(175,900)	(309,600)
Administrative expenses		(89,754)	(38,999)
Surplus for the year	(5)	73,047	78,502

THE JOYOUS FOUNDATION LIMITED

樂兒計劃成長基金有限公司

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER, 2015

	Note	2015 HK\$	2014 HK\$
<b>Non-current assets</b>			
Plant and equipment	(8)	24,295	49,748
<b>Current assets</b>			
Cash and cash equivalents	(9)	335,149	272,454
<b>Current liabilities</b>			
Other payables and accruals	(10)	91,100	126,905
Amounts due to a director	(11)	83,928	83,928
		175,028	210,833
Net current assets		160,121	61,621
Total assets less current liabilities		184,416	111,369
Net assets		184,416	111,369
<b>Reserve and funds</b>			
General fund		184,416	111,369

The financial statements were approved and authorised for issue by the Board of Directors on 20 September, 2016 and are signed on its behalf by:

Lee Woon Ming, Wendy  
Director

Tam Ho Hon William  
Director

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2015**

	<b>2015</b>	<b>2014</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Operating activities</b>		
Surplus for the year	73,047	78,502
Adjustments for:		
Depreciation	25,453	25,454
<b>Operating surplus before changes in working capital</b>	<b>98,500</b>	<b>103,956</b>
(Decrease)/Increase in other payables and accrual	(35,805)	15,725
<b>Cash flow generated from operating activities</b>	<b>62,695</b>	<b>119,681</b>
<b>Net increase in cash and cash equivalents</b>	<b>62,695</b>	<b>119,681</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>272,454</b>	<b>152,773</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>335,149</b>	<b>272,454</b>



STATEMENT OF CHANGES IN RESERVE AND FUNDS  
FOR THE YEAR ENDED 31 DECEMBER, 2015

	General Fund HK\$
At 1 January, 2014	32,867
Surplus for the year	78,502
At 31 December, 2014	111,369
At 1 January, 2015	111,369
Surplus for the year	73,047
At 31 December, 2015	184,416

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2015

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**1. General information**

The Joyous Foundation Limited ("the Company") is a private limited Company incorporated in Hong Kong. The address of Company's registered office and principal place of operation is located at Block C, 6/F., Yam Hop Hing Ind. Bldg., 40-44 Kwai Wing Road, Kwai Chung, Kowloon, Hong Kong.

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

During the year, the principal activity of the Company is provision of positive and creative activities to students through musical training principally to secondary school students in Hong Kong.

The Company has set up the following fund:

**General fund**

The fund is used for general operations and activities of the Company.

**2. Basis of preparation and accounting policies**

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard of Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

**New Hong Kong Companies Ordinance (Cap. 622)**

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial period, as a result, the presentation and disclosures of certain information in the financial statements have followed such requirement.

**Revenue recognition**

Revenue is recognised in income and expenditure provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, as follows:

Donation income is recognized upon receipt.

**Plant and equipment**

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of such items of plant and equipment comprises the following:

- the purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by management;

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2015

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**2. Basis of preparation and accounting policies (continued)**

**Plant and equipment (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of plant and equipment.

- Musical equipment 20%

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

**Financial liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. Financial liabilities (including trade payables) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

**Related parties**

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

- (a) A person or a close member of that person's family is related to the Company if that person:
  - (i) is a member of the key management personnel of the Company or of a parent of the Company;
  - (ii) has control over the Company; or
  - (iii) has joint control or significant influence over the reporting entity or has significant voting power in it.
- (b) An entity is related to the Company if any of the following conditions applies:
  - (i) the entity and the Company 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 Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2015

2. Basis of preparation and accounting policies (continued)

Related parties (continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant voting power in the entity.

3. Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no estimates or assumptions used on these financial statements that the directors expect will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Plant and equipment and depreciation

The Company determines the estimated useful lives and related depreciation charges for the Company's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Company will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write-down technologically obsolete or non-strategic assets that have been abandoned or sold.

Impairment of assets

The Company tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which require the use of assumptions and estimates.

4. Revenue

Revenue represents the donation income received during the year.

	2015 HK\$	2014 HK\$
Donation – general	7,674	55,500
Donation – special event	330,026	370,500
Total donation income	337,700	426,000
Membership fee income	1,000	1,100
	338,700	427,100
Other revenue		
Bank interest income	1	1

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2015

5. Surplus for the year

The following items have been recognised as expenses in determining surplus for the year:

	2015 HK\$	2014 HK\$
Auditor's remuneration- current year	8,300	8,300
- under-provision in previous years	8,300	-
Depreciation on plant and equipment	25,453	25,454

6. Taxation

The Company is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance.

7. Directors' remuneration

No directors' emoluments was paid during the year.

8. Plant and equipment

	Musical equipment HK\$
<b>Cost</b>	
1 January, 2015 and at 31 December, 2015	127,268
<b>Accumulated depreciation and impairment</b>	
1 January, 2015	77,520
Depreciation	25,453
31 December, 2015	102,973
<b>Carrying amount</b>	
31 December, 2015	24,295
31 December, 2014	49,748

9. Cash and cash equivalents

	2015 HK\$	2014 HK\$
Cash at bank and on hand	335,149	272,454

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2015

**10. Other payables and accruals**

	<b>2015</b>	<b>2014</b>
	<b>HK\$</b>	<b>HK\$</b>
Accrued charges	91,100	126,905

**11. Amounts due to a director**

The amounts is unsecured, non-interest bearing and repayable on demand.

**12. Related party transactions**

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Company had the following transactions with related parties during the year:

	<b>2015</b>	<b>2014</b>
	<b>HK\$</b>	<b>HK\$</b>
Donation income from directors	42,500	23,000

THE JOYOUS FOUNDATION LIMITED

樂兒計劃成長基金有限公司

INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER, 2015  
(FOR MANAGEMENT PURPOSE)

	2015 HK\$	2014 HK\$
<b>Revenue</b>		
Donation -- general	7,674	55,500
Donation -- special event	330,026	370,500
Total donation income	337,700	426,000
Membership fee income	1,000	1,100
	338,700	427,100
Bank interest income	1	1
<b>Instructors' fee</b>	175,900	309,600
<b>Administrative expenses</b>		
Auditor's remuneration	16,600	8,300
Bank charges	2,270	3,740
Depreciation	25,453	25,454
Legal and professional fees	105	105
Traveling	-	1,400
Band show expenses	45,326	-
	89,754	38,999
<b>Surplus for the year</b>	73,047	78,502