

IMPACTHK LIMITED
(Limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018



陳黎彭會計師事務所

CHAN, LAI, PANG & CO.

Certified Public Accountants

IMPACTHK LIMITED

DIRECTORS' REPORT

The directors present the annual report and the audited financial statements for the year ended 31st March, 2018.

PRINCIPAL ACTIVITY

ImpactHK Limited (the "Association") is a company incorporated and domiciled in Hong Kong and its registered office at 6C Kings Court, 50 Kai Yuen Street, North Point, Hong Kong. The principal activity of the Association is to help the underprivileged people for the benefit of the Hong Kong Community.

RESULTS

The surplus of the Association for the year ended 31st March, 2018 and the state of the Association's affairs as at that date are set out in the financial statements on pages 5 to 12.

DIRECTORS

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

Mr. Rotmeyer, Jeffrey Allen
Ms. Rotmeyer, Juliana Adele

In accordance with Article 16(2) of the Association's Articles of Association, the existing directors continue in office.

MANAGEMENT CONTRACTS

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 operation of the Association.

DIRECTORS' INTERESTS AND CONTRACTS OF SIGNIFICANCE

No contract of significance to which the Association was a party, and in which a director of the Association had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year.

AUDITORS

Chan, Lai, Pang & Co., Certified Public Accountants retire and, being eligible, offer themselves for re-appointment.

By order of the board



Rotmeyer, Jeffrey Allen
Director

Hong Kong 15 FEB 2019



陳黎彭會計師事務所

CHAN, LAI, PANG & CO.

Certified Public Accountants

香港銅鑼灣謝斐道四八二號兆安廣場十八樓
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Causeway Bay, Hong Kong
TEL: 2838 9088 FAX: 2838 8119
E-mail: mail@chanlaipang.com.hk

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

IMPACTHK LIMITED

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of ImpactHK Limited (the "Association") set out on pages 5 to 12, which comprise the statement of financial position as at 31st March, 2018, and the statement of income and accumulated fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31st March, 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAs") 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 Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the director's 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the 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.



陳黎彭會計師事務所

CHAN, LAI, PANG & CO.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

IMPACTHK LIMITED

(Incorporated in Hong Kong and limited by guarantee)

- cont'd -

In preparing the financial statements, the directors 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. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purposes. 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 HKSA's 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 HKSA's, 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 Association'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, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



陳黎彭會計師事務所

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

IMPACTHK LIMITED

(Incorporated in Hong Kong and limited by guarantee)

- cont'd -

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.

Chan, Lai, Pang & Co.

Certified Public Accountants

Hong Kong 15 FEB 2019

IMPACTHK LIMITED

STATEMENT OF INCOME AND ACCUMULATED FUND

FOR THE YEAR ENDED 31ST MARCH, 2018

	Year ended 31/3/2018	Period 21/3/2016 to 31/3/2017
	HK\$	HK\$
REVENUE		
Donation	1,263,286.25	- - -
	1,263,286.25	- - -
Interest income	1.78	- - -
	1,263,288.03	- - -
LESS : EXPENSES		
Accommodation support expenses for homeless	69,144.00	- - -
Advertisement expenses	16,604.96	- - -
Audit fee	15,000.00	3,000.00
Bank charge	1,390.00	- - -
Bank overdraft interest	6.21	- - -
Depreciation on:-		
Furniture, fixture and equipment	5,730.83	- - -
Leasehold improvement	17,172.16	- - -
Food and beverage for kindness walk	33,423.65	- - -
Food and beverages for guest room	617.70	- - -
Insurance	1,108.00	- - -
Laundry expenses	7,005.00	- - -
Legal and professional fee	11,280.00	- - -
Management fee for guest room	720.00	- - -
Mandatory provident fund contribution	3,000.00	- - -
Medical expenses	2,000.00	- - -
Miscellaneous	114.00	- - -
Networking	300.00	- - -
Office expenses	14,947.14	- - -
Other programme expenses	4,398.30	- - -
Printing and stationery	1,905.00	- - -
Property agency fee	10,600.00	- - -
Rental for guest room	75,000.00	- - -
Salaries for full-time staff	59,500.00	- - -
Salaries for community helpers	37,300.00	- - -
Stamp duty fee	1,542.50	- - -
Supplies for homeless	4,317.00	- - -
Transportation	16,356.03	- - -
Telecommunication expenses	2,576.00	- - -
Utilities	1,013.00	- - -
	414,071.48	3,000.00
SURPLUS/(DEFICIT) FOR THE YEAR/PERIOD	849,216.55	(3,000.00)
ACCUMULATED FUND/(DEFICIT) AT THE BEGINNING OF THE YEAR/PERIOD	(3,000.00)	- - -
ACCUMULATED FUND/(DEFICIT) AT THE END OF THE YEAR/PERIOD	846,216.55	(3,000.00)

The notes on pages 8 to 12 form part of these financial statements.


IMPACTHK LIMITED

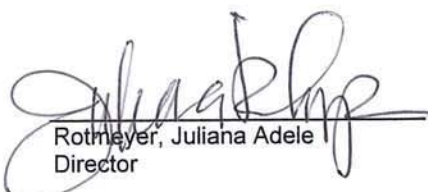
STATEMENT OF FINANCIAL POSITION

AS AT 31st MARCH, 2018

	Note	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	6	251,932.95	- - -
CURRENT ASSETS			
Deposits and prepayments		131,400.00	- - -
Cash and bank balances	7	510,248.70	- - -
		641,648.70	- - -
CURRENT LIABILITIES			
Accruals		(34,470.00)	(3,000.00)
Other creditor		(1,837.72)	- - -
Amount due to a director	8	(11,057.38)	- - -
		(47,365.10)	(3,000.00)
NET CURRENT ASSETS/(LIABILITIES)		594,283.60	(3,000.00)
NET ASSETS/(LIABILITIES)		846,216.55	(3,000.00)
RESERVES			
Accumulated fund/(deficit)		846,216.55	(3,000.00)

Approved by:-


 Rotmeyer, Jeffrey Allen
 Director


 Rotmeyer, Juliana Adele
 Director

The notes on pages 8 to 12 form part of these financial statements.

IMPACTHK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2018

	Note	Year ended 31/3/2018 HK\$	Period 21/3/2016 to 31/3/2017 HK\$
Operating activities			
Surplus/(deficit) for the year/period		849,216.55	(3,000.00)
Adjustments for:-			
Depreciation charges		22,902.99	- - -
Interest income		(1.78)	- - -
Changes in operating assets and liabilities:-			
(Increase) in deposits and prepayments		(131,400.00)	- - -
Increase in other payables		1,837.72	- - -
Increase in amount due to a director		11,057.38	- - -
Increase in accruals		31,470.00	- - -
Cash generated from/ (used in) operating activities		785,082.86	(3,000.00)
Interest received		1.78	- - -
Net cash generated from/ (used in) operating activities		785,084.64	(3,000.00)
Investing activities			
Payment to acquire property, plant and equipment		(274,835.94)	- - -
Net cash (used in) investing activities		(274,835.94)	- - -
Net increase in cash and cash equivalents		510,248.70	- - -
Cash and cash equivalents at the beginning of the year/ period	7	- - -	- -
Cash and cash equivalents at the end of the year	7	510,248.70	- - -

The notes on pages 8 to 12 form part of these financial statements.

IMPACTHK LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(1) GENERAL INFORMATION

ImpactHK Limited (the "Association") is a company incorporated and domiciled in Hong Kong and has its registered office at 6C Kings Court, 50 Kai Yuen Street, North Point, Hong Kong. The principal activity of the Association is to help the underprivileged people for the benefit of the Hong Kong Community

The liability of the Association members is limited by guarantee and the amount to be contributed by each member in the event of winding up is limited to HK\$100.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for 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 and presented in Hong Kong Dollars (HK\$).

(a) 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 overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(b) Property, plant and equipment

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

The cost of such items of property, 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;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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. Assets held under finance leases, for which there is no reasonable certainty that the Company will obtain ownership at the end of the lease term, are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant lease. The following useful lives are used for the depreciation of property, plant and equipment:

Furniture, fixtures and equipment	- over 3 years
Leasehold improvement	- over 3 years

IMPACTHK LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018**

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES - cont'd

(b) Property, plant and equipment – cont'd

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(c) Impairment of assets

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased assets to the Association. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Association at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profits or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant leases.

(e) Revenue recognition

Revenue is recognised when it is probable that the economic benefits thereof will flow to the Association and when the revenue can be measured reliably. Donation is recognised as revenue upon receipt.

IMPACTHK LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES - cont'd

(f) Related parties

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

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

(3) KEY SOURCES OF ESTIMATION UNCERTAINTY

The Association's management makes assumptions, estimates and judgements in the process of applying the Association's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRS for Private Entities. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

There is no significant risk of key assumptions concerning the future and other key sources of estimation at the end of reporting period which will cause an adjustment to carrying amounts of assets and liabilities within the next financial year.

IMPACTHK LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(4) INCOME TAX EXPENSE

The Association is exempt under Section 88 of the Inland Revenue Ordinance from any tax by reason of being a charitable institution.

(5) DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383 of the Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) for the year is HK\$ Nil (2017 – HK\$ Nil).

(6) PROPERTY, PLANT AND EQUIPMENT

	Furniture, Fixtures and equipment HK\$	Leasehold improvement HK\$	Total HK\$
Cost			
Acquisition and at 31 st March, 2018	68,770.00	206,065.94	274,835.94
Accumulated depreciation			
Charges and at 31 st March, 2018	<u>5,730.83</u>	<u>17,172.16</u>	<u>22,902.99</u>
Net book value			
At 31 st March, 2018	<u>63,039.17</u>	<u>188,893.78</u>	<u>251,932.95</u>

(7) CASH AND CASH EQUIVALENTS

	At 31/3/2018 HK\$	At 31/3/2017 HK\$
Cash at bank	<u>510,248.70</u>	<u>- - -</u>
Cash and cash equivalents in the statement of financial position and statement of cash flows	<u>510,248.70</u>	<u>- - -</u>

IMPACTHK LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(8) AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest-free and has no fixed terms of repayment.

(9) COMMITMENT UNDER OPERATING LEASES

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

	As at 31/3/2018 HK\$	As at 31/3/2017 HK\$
Land and buildings		
- Not later than one year	300,000.00	- - -
- Later than one year and not later than five years	549,000.00	- - -

(10) RELATED PARTY TRANSACTIONS

Except for the transactions and balances disclosed elsewhere in these financial statements, the Association did not enter into any material related party transactions during the year.

(11) APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Association's board of directors on **15 FEB 2019**

