

HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

香港創意開放科技協會有限公司

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 29 JANUARY 2014 (DATE OF INCORPORATION) TO

31 MARCH 2015

YAU WANG KWONG 丘宏光執業會計師

Certified Public Accountant (Practising)

HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

香港創意開放科技協會有限公司

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 29 JANUARY 2014 (DATE OF INCORPORATION) TO
31 MARCH 2015**

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HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

香港創意開放科技協會有限公司

REPORT OF THE DIRECTORS

The directors present the annual report and the audited financial statements of Hong Kong Creative Open Technology Association Limited ("the Company") for the period from 29 January 2014 (date of incorporation) to 31 March 2015.

Principal activities

The principal activities of the Company are to promote the awareness, benefits and usages of open technology and to promote creativity through the use of open technology.

Results

The results of the Company for the period from 29 January 2014 (date of incorporation) to 31 March 2015 are set out in the statement of income and retained earnings on page 4. The state of affairs of the Company at 31 March 2015 is set out in the statement of financial position on page 5.

Directors

The directors of the Company during the period from 29 January 2014 (date of incorporation) to 31 March 2015 and up to the date of this report were:

Mr. So Hau Heng Hagen
Mr. Fung Chun Wah Sammy
Mr. Wong Wan Leung

All directors were appointed on 29 January 2014. Pursuant to the Company's Articles of Association, all directors shall retire and, being eligible, offer themselves for re-election at the forthcoming general meeting.

Directors' interest and management contract

There was no contract of significance to which the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisting at the end of the financial period or at any time during the period. No contract concerning the management and administration of the whole or any substantial part of the operation of the Company was entered into or existed during the period.

Auditor

The financial statements for the period ended 31 March 2015 were audited by Mr. Yau Wang Kwong, Certified Public Accountant (Practising), who retired and offers himself for re-appointment.

For and on behalf of the Board

Chairman
Hong Kong, 19 May 2015

Independent auditor's report to the members of

HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

香港創意開放科技協會有限公司

(incorporated in Hong Kong and limited by guarantee)

I have audited the financial statements of Hong Kong Creative Open Technology Association Limited ("the Company") set out on pages 4 to 8, which comprise the statement of financial position as at 31 March 2015, the statement of income and retained earnings, and the statement of cash flows for the period from 29 January 2014 (date of incorporation) to 31 March 2015, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the 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

My responsibility is to express an opinion on these financial statements based on my audit. This report is made solely to you, as a body, in accordance with section 80 of Schedule 11 to the Hong Kong Companies Ordinance (Cap.622) and for no other purpose. I do not assume responsibility towards or accept liability to any other person for the contents of this report.

I conducted my audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 and presentation 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 directors, as well as evaluating the overall presentation of the financial statements.

...../ to be continued

YAU WANG KWONG

丘宏光

Certified Public Accountant (Practising), FCCA, MBA

執業會計師

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Independent auditor's report to the members of

HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

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...../ continued

Auditor's responsibility (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2015, and of its surplus and cash flows for the period from 29 January 2014 (date of incorporation) to 31 March 2015 in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

YAU WANG KWONG

Certified Public Accountant (Practising)

Hong Kong, 19 May 2015

HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

香港創意開放科技協會有限公司

STATEMENT OF INCOME AND RETAINED EARNINGS

**FOR THE PERIOD FROM 29 JANUARY 2014 (DATE OF INCORPORATION) TO
31 MARCH 2015**

	HK\$
REVENUE	
Donation received	36,400
Open technology conference income	38,737
Sponsorship income	48,560
Training course fee income	75,200
Miscellaneous income	1,562
	<u>200,459</u>
EXPENDITURE	
Auditor's remuneration	6,800
Bank charges	444
Company incorporation fee	6,800
Conference and business meals	13,521
Conference expenses	45,831
Domain registration	800
Local travelling	100
Logo design	1,380
Postage and delivery	2,012
Printing and stationery	977
Sundries	174
Trademark registration	2,500
Training cost and materials	75,185
	<u>156,524</u>
SURPLUS FOR THE PERIOD AND RETAINED EARNINGS AT END OF THE PERIOD	<u><u>43,935</u></u>

The accompanying notes from page 7 to 8 form an integral part of these financial statements.

HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

香港創意開放科技協會有限公司

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2015

	HK\$
CURRENT ASSETS	
Accounts receivable	40,550
Cash and cash equivalents	<u>12,185</u>
	<u>52,735</u>
CURRENT LIABILITIES	
Receipt in advance	2,000
Accrued expenses	<u>6,800</u>
	<u>8,800</u>
NET CURRENT ASSETS	<u><u>43,935</u></u>
RESERVE	
Reserve fund	<u>43,935</u>
	<u><u>43,935</u></u>

The financial statements were approved and authorized for issue by the Board of Directors on 19 May 2015.

Director

Director

The accompanying notes from page 7 to 8 form an integral part of these financial statements.

HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

香港創意開放科技協會有限公司

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 29 JANUARY 2014 (DATE OF INCORPORATION) TO

31 MARCH 2015

	HK\$
OPERATING ACTIVITIES	
Surplus for the period before working capital changes	43,935
Increase in accounts receivable	(40,550)
Increase in receipt in advance	2,000
Increase in accrued expenses	6,800
NET CASH FROM OPERATING ACTIVITIES	<u>12,185</u>
INVESTING ACTIVITIES	-
FINANCING ACTIVITIES	-
INCREASE IN CASH AND CASH EQUIVALENTS	<u>12,185</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>12,185</u>
represented by bank balances	<u><u>12,185</u></u>

The accompanying notes from page 7 to 8 form an integral part of these financial statements.

HONG KONG CREATIVE OPEN TECHNOLOGY ASSOCIATION LIMITED

香港創意開放科技協會有限公司

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 29 JANUARY 2014 (DATE OF INCORPORATION) TO
31 MARCH 2015**

1. General

The Company is incorporated in Hong Kong, limited by guarantee and not having a share capital. The Company's registered office is located at 3/F, 225 Sai Yee Street, Mong Kok, Kowloon, Hong Kong. Every member undertakes to contribute to the assets of the Company in the event of its being wound up not exceeding HK\$1. The Company is a charitable institution to promote the awareness, benefits and usages of open technology and to promote creativity through the use of open technology.

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard 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 on the basis that the Company is a going concern.

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

3. Principal accounting policies

The principal accounting policies are set out below.

a) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

- i. Donations are recorded on cash received basis.
- ii. Conference income is recognized when the conference was concluded.
- iii. Sponsorship income and training course fee income were recognized when the services are performed.

b) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

c) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks or other financial institutions, and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

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NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 29 JANUARY 2014 (DATE OF INCORPORATION) TO
31 MARCH 2015**

4. Directors' remuneration

All directors of the Company did not receive any emoluments or allowances for their participation in the Company's affairs during the period.

5. Taxation

No provision for taxation has been made as the Company is exempted from tax liabilities under Section 88 of the Inland Revenue Ordinance by reason of being a charitable institution with effect from 12 August 2014.

6. Financial risk management

The Company is exposed to different kinds of risks in its operation and financial instruments. The Company's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the Company by closely monitoring the individual exposure as follows:-

- i. Fair value interest rate risk – The Company's exposure on fair value interest rate risk is not significant.
- ii. Liquidity risk – The Company manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational needs.
- iii. Credit risk – Credit risk of the Company is primarily attributable to accounts receivable from sponsorship companies and training course fee income from third parties. Exposure to credit risk are monitored by directors on an ongoing basis.