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鄺志才會計師事務所  
c c kwong & company

— CPA —

Chartered Accountants  
CPA (Practising)  
Hong Kong

**HKMAKE LIMITED**

香港創造有限公司

*(Incorporated in Hong Kong and Limited by Guarantee)*

**REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 3 NOVEMBER 2011  
(DATE OF INCORPORATION) TO 31 DECEMBER 2012**

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## **Report of the directors**

### **Auditors**

A resolution for the re-appointment of C C Kwong & Co. as auditors of the Association is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Chairman

Dated, 2013-11-01

**Independent auditor's report to the members of HKMake Limited**

香港創造有限公司

*(Incorporated in Hong Kong and Limited by Guarantee)*

We have audited the financial statements of HKMake Limited (the "Association") set out on pages 5 to 12, which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the period from 3 November 2011 (date of incorporation) to 31 December 2012, 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 Standards 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. This report is made solely to you, as a body, in accordance with section 141 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 judgment, 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.

c c kwong & company

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CPA (Practising)

鄭志才會計師事務所

C C KWONG & COMPANY  
Chartered Accountants  
Certified Public Accountants (Practising)  
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**Independent auditor's report to the directors of HKMake Limited**

香港創造有限公司

*(Incorporated in Hong Kong and Limited by Guarantee)*

*[Continued]*

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31 December 2012 and of its surplus and cash flows for the period from 3 November 2011 (date of incorporation) to 31 December 2012 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



**CC Kwong & Company**  
**Certified Public Accountants (practising)**

601, 6th Floor,  
Tai Tung Building,  
Wan Chai

Hong Kong\_ 1 NOV 2013

**Statement of comprehensive income**  
**For the period from 3 November 2011 (date of incorporation) to 31 December 2012**

	Note	3.11.2011 to 31.12.2012 HK\$
<b>REVENUE</b>		
Membership fee income		154,300
Member's donations for workshops and administrations		56,332
Sales of equipments		250
		<u>210,882</u>
<b>EXPENDITURE</b>		
Auditor's remuneration		3,300
Bank charges		1,210
Business registration fee		2,900
Consumables and tooling		2,218
Electricity		5,900
Freight and courier charge		60
Penalty		300
Preliminary expenses		500
Professional fee		1,700
Office supplies		6,429
Printing & Stationary		435
Rent		151,000
Repair and maintenance		67
Sundry expenses		333
Telephone and internet		2,993
		<u>179,345</u>
<b>SURPLUS BEFORE INCOME TAX</b>		31,537
<b>INCOME TAX EXPENSE</b>	4	<u>-</u>
<b>SURPLUS FOR THE PERIOD</b>		31,537
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><u>31,537</u></u>

The annexed notes form part of these financial statements.

HKMAKE LIMITED

香港創造有限公司

Financial statements for the period from 3 November 2011 (date of incorporation) to 31 December 2012

**Statement of changes in accumulated funds**

**For the period from 3 November 2011 (date of incorporation) to 31 December 2012**

*(Expressed in Hong Kong dollars)*

	2012 HK\$
At 3.11.2011	-
Surplus for the period	31,537
At 31.12.2012	31,537



**Statement of cash flows****For the period from 3 November 2011 (date of incorporation) to 31 December 2012**

	<b>13.11.2011 to 31.12.2012 HK\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Surplus for the period	31,537
Increase in account receivables	(10,700)
Increase in received in advance	2,200
Increase in accruals	6,238
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>29,275</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>29,275</b>
<b>CASH AND CASH EQUIVALENTS AS AT 3 NOVEMBER 2011</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2012</b>	<b>29,275</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	
Cash and bank balances	29,275

The annexed notes form part of these financial statements.

## Notes to the financial statements

### 1 General Information

The Association is incorporated in Hong Kong and Limited by guarantee with effect from 3 November 2011. The registered office of the Association is at 14/F, 100 Jervois Street, Sheung Wan, Hong Kong.

The principal activity of the Association is to promote and support science, engineering and arts in Hong Kong.

### 2 Basis of Preparation

#### (a) Compliance with Hong Kong Financial Reporting Standards

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("HK(IFRIC)-Int") issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as "Hong Kong Financial Reporting Standards").

#### (b) Initial application of Hong Kong Financial Reporting Standards

In the current year, the Association initially applied the following Hong Kong Financial Reporting Standards: -

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Recovery of Underlying Assets

The initial application of these Hong Kong Financial Reporting Standards does not necessitate material changes in the Association's accounting policies or retrospective adjustments of the comparatives presented.

#### (c) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards in issue at 31 December 2012 have not been applied in the preparation of the Association's financial statements for the period then ended since they were not yet effective for the annual period beginning on 3rd November 2011: -

HKFRS 9	Financial Instruments
HKFRS 13	Fair Value Measurement
Amendments to HKAS 1	Presentation of items of Other Comprehensive Income
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Annual improvements to HKFRSs (2009-2011)	Amendments to HKAS 1, HKAS 16 and HKAS 32

The Association is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association's results of operations and financial position.

## Notes to the financial statements

### 3 Significant accounting policies

(a) *Measurement basis*

These financial statements have been prepared on the historical cost basis.

(b) *Impairment of assets*

At the end of each reporting period, the Association determines whether there is any indication of impairment of assets. If there is any indication of impairment, the recoverable amount of the relevant asset or group of assets is estimated and compared with the carrying amount.

If the recoverable amount of an assets or a group of assets is less than its carrying amount, the carrying amount of the asset or group of assets is reduced to the recoverable amount. Impairment losses are recognised as an expense in profit or loss.

(c) *Receivables*

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and its recoverable amount. The amount of the provision is recognised in profit or loss.

(d) *Payables*

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(e) *Income tax*

Income tax expenses represent the sum of the tax current payable and deferred tax.

The tax currently payable is based on tax profit for the year. Taxable income differs from surplus before tax as reported in the statement of comprehensive income because it excludes items of income and expenses that are taxable or deductible in other years, and it further excludes income and expenditure items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable when the Association recovers or settles the carrying amount assets or liabilities recognised in the financial statements.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or directly in equity respectively.

**Notes to the financial statements****4 Income tax expenses**

- (a) No Hong Kong profits tax has been provided for in the financial statement as the Association is deemed not carrying on business under section 24(1) of the Inland Revenue Ordinance.
- (b) The income tax expense for the period can be reconciled to the surplus per statement of comprehensive income as follow:-

	2012 HK\$
Surplus before income tax	<u>31,537</u>
Tax effect at the profits tax rate of 16.5%	5,203
Tax effect of surplus before taxation deemed to be non-taxable profits	<u>(5,203)</u>
	<u>-</u>

- (c) No provision for deferred tax has been made in the accounts as the effect of temporary difference is immaterial.

**5 Nature and extent of financial instrument risks**Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss to the Association by failing to discharge an obligation. The Association's credit risk is primarily attributable to cash and cash equivalents. The Association's cash and cash equivalents were held by major financial institutions located in Hong Kong, which the directors believe are of high credit quality. Accordingly, the overall credit risk is considered limited.

Carrying amounts of financial assets as at 31 December 2012, which represented the amounts of maximum exposure to credit risk were as follow:-

Accounts receivable	10,700
Cash and cash equivalents	<u>29,275</u>
	<u>39,975</u>

**Notes to the financial statements****6 Nature and extent of financial instrument risks (Continued)**Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities.

Maturities of the financial liabilities of the Association as at 31 December 2012 were as follows:

	<b>2012</b>
	<b>HK\$</b>
Total amounts of contractual undiscounted obligations: -	
Accruals	<u>6,238</u>
Due for payment: -	
Within one year or on demand	<u>6,238</u>

Fair value

The carrying amounts of the Association's financial assets and liabilities approximate their fair values due to the short-term maturity.