

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 YEAR ENDED 31 DECEMBER 2015**

CONTENTS

	PAGES
Directors' report	1-2
Independent auditor's report	3-4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in accumulated funds	7
Statement of cash flows	8
Notes to the financial statements	9-13

Report of the directors

The directors have pleasure in submitting herewith their annual report and the audited financial statements of the Association for the year ended 31 December 2015.

Principal place of business

HKMake Limited (the "Association") is a association incorporated in Hong Kong and has its registered office at 14/F, 100 Jervois Street, Sheung Wan, Hong Kong.

Principal activities and business review

The principal activities of the Association are to promote and support science, engineering and arts in Hong Kong. The Company falls within reporting exemption for the financial year and thus in accordance with section 388(3)(a) of the Hong Kong Company Ordinance (Cap. 622), the Company is exempted from preparing a business review in the report.

Results and appropriations

The deficits and cash flows of the Association for the year ended 31 December 2015 and the state of the Association's affairs at that date are set out in the financial statements on page 5 to 13.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors of the Association during the period and up to the date of this report are:

Leung David Hoi Kei	(Appointed on 25/2/2015)
Lanzendorfer David Elric Alexander	(Appointed on 21/9/2016)
Antony Mathis Aurelius	(Resigned on 20/5/2016)
LIST Alexander Michael	(Resigned on 7/1/2015)
LEE Shang Hsin Julian	(Resigned on 7/1/2015)
Poon Michelle	(Resigned on 9/9/2016)
Perrakis Emmanouil	(Resigned on 11/6/2016)

In accordance with Articles 41 and 42 of the Articles of Association, all directors shall retire at every succeeding Annual General Meeting but shall be eligible to offer themselves for re-election.

Directors' interests in contracts

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

Arrangements to acquire shares or debentures

At no time during the period was the Association a party to any arrangements to enable the directors of the Association to acquire benefits by means of acquisition of shares in or debentures of the Association or any other body corporate.

Permitted indemnity provision

A permitted indemnity provision for the benefit of the sole director of the company is currently in force and was in force throughout this year.

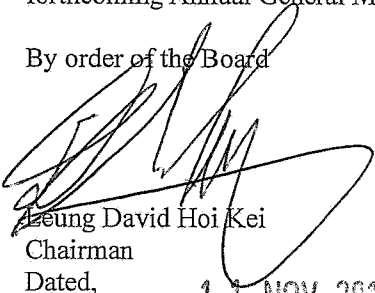
Event after the reporting period

There is no significant event after the reporting year that should be disclosed under section 390(2) of the Hong Kong Companies Ordinance (Cap.622).

Auditors

C C Kwong & Co. retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of C C Kwong & Co. as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Leung David Hoi Kei
Chairman

Dated,

11 NOV 2015

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 13, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flow for the year ended 31 December 2015, 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 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 purposes. 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.

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)

[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 2015 and of its deficits and cash flows for the year ended 31 December 2015 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

C C Kwong & Co.

Certified Public Accountants (Practising)

Room 601, 6th Floor,
Tai Tung Building,
8 Fleming Road,
Wan Chai, Hong Kong

Dated

11 NOV 2016

**Statement of comprehensive income
For the year ended 31 December 2015**

	Note	2015 HK\$	2014 HK\$
REVENUE	5	136,730	114,527
OTHER INCOME	6	1,400	1
		<u>138,130</u>	<u>114,528</u>
EXPENDITURE			
Auditor's remuneration		3,800	3,300
Bank charges		1,074	1,675
Business registration fee		2,250	2,250
Consulting and accounting		2,000	2,000
Electricity		6,025	10,865
Professional fee		5,380	4,640
Rent		138,000	135,000
Sundry expenses		-	1,151
Telephone and internet		5,856	5,832
		<u>164,385</u>	<u>166,713</u>
DEFICITS BEFORE INCOME TAX		(26,255)	(52,185)
INCOME TAX EXPENSE	7	-	-
DEFICITS FOR THE YEAR		(26,255)	(52,185)
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR		<u>(26,255)</u>	<u>(52,185)</u>

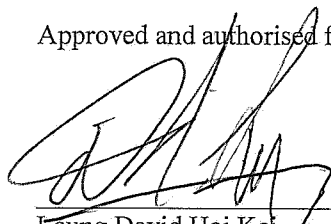
The annexed notes form part of these financial statements.

**Statement of financial position
At 31 December 2015**

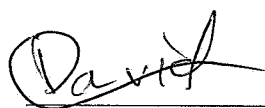
	Note	2015 HK\$	2014 HK\$
CURRENT ASSETS			
Rental deposit		34,500	34,500
Account receivables		21,724	13,250
Prepayment		11,764	11,500
Cash and cash equivalents		-	18,652
		<u>67,988</u>	<u>77,902</u>
CURRENT LIABILITIES			
Accrual		(46,525)	(44,197)
Amount due to a director	9	(21,547)	(11,884)
Membership deposit in advance		(7,000)	-
Received in advance		(300)	(2,950)
		<u>(75,372)</u>	<u>(59,031)</u>
NET (LIABILITIES) / ASSETS		<u>(7,384)</u>	<u>18,871</u>
REPRESENTED BY: -			
ACCUMULATED FUNDS		<u>(7,384)</u>	<u>18,871</u>

Approved and authorised for issue by the board of directors on

11 NOV 2016



Leung David Hoi Kei
Director



Lanzendorfer David Elric Alexander
Director

The annexed notes form part of these financial statements.

Statement of changes in accumulated funds
For the year ended 31 December 2015

	Share Capital HK\$	Accumulated Loss HK\$	Accumulated Funds HK\$
At 1.1.2014	-	71,056	71,056
Total comprehensive expenses for the year	-	(52,185)	(52,185)
At 31.12.2014 and 1.1.2015	-	18,871	18,871
Total comprehensive expenses for the year	-	(26,255)	(26,255)
At 31.12.2015	-	(7,384)	(7,384)

The annexed notes form part of these financial statements.

Statement of cash flows
For the year ended 31 December 2015

	2015 HK\$	2014 HK\$
Cash flows from operating activities		
Deficits before taxation	(26,255)	(52,185)
Adjustments for:		
Bank interest income	-	(1)
Operating deficits before working capital changes	(26,255)	(52,186)
Increase in account receivables	(8,474)	(4,000)
Increase in rental deposit	-	(34,500)
(Increase) / decrease in prepayment	(264)	1,139
(Decrease) / increase in received in advance	(2,650)	2,000
Increase in amount due to a director	9,663	11,884
Increase in accruals	2,328	32,924
Increase in membership deposit in advance	7,000	-
Net cash used in operating activities	(18,652)	(42,739)
Cash flows from investing activities		
Interest received	-	1
Net cash generated from investing activities	-	1
Decrease in cash and cash equivalents	(18,652)	(42,738)
Cash and cash equivalents at beginning of year	18,652	61,390
Cash and cash equivalents as at end of year	-	18,652
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	-	18,652

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. 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) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance (Cap. 622).

(b) Basis of preparation of the financial statement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements

3 Applications of new and revised Hong Kong Financial reporting standards (“HKFRSs”)

(a) Applications of new and revised HKFRSs

The Association has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and revised HKFRSs issued but not yet effective

The Association has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle ¹
Amendments to HKAS 27	Equity Method in Separate Financial Statements ¹

¹Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

²Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

4 Significant accounting policies

(a) 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.

(b) 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.

(c) Payables

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

Notes to the financial statements

4 Significant accounting policies (continued)

(d) *Cash and cash equivalents*

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Association and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) *Donation income and membership fee income*

Donations are recognised on a cash basis

(ii) *Interest income*

Interest income is recognised at it accrues using the effective interest method.

(f) *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.

5 Revenue

	2015 HK\$	2014 HK\$
Membership fee income	116,900	100,000
Members donations for workshops and administrations	10,355	2,144
General Donations	9,475	12,383
	<u>136,730</u>	<u>114,527</u>

6 Other income

Bank interest income	-	1
Sundry income	1,400	-
	<u>1,400</u>	<u>1</u>

Notes to the financial statements

7 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:

	2015 HK\$	2014 HK\$
Deficits before taxation	(26,255)	(52,185)
Income tax at statutory rate 16.5% (2014:16.5%)	4,332	8,610
Tax effect of unused tax losses not recognised	(4,332)	(8,610)
Actual tax expense	-	-

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

8 Directors' remuneration

No directors received any fees or other remuneration in respect of their services rendered to the Association during the year.

9 Amounts due to a director

The amounts due to a director are unsecured, interest free and repayable on demand.

10 Financial risk management

10.1 Categories of financial instruments

Financial assets

Loans and receivables

(including cash and cash equivalents)

67,988	77,902
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Financial liabilities

Amortised cost

75,372	59,031
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10.2 Financial risk factors

Exposure to interest rate, liquidity, currency and credit risks arises in the normal course of the Association's business. The Association's overall risk management policy focuses on minimizing all potential financial risks facing the Foundation.

The Association's exposure to these risks and the financial risk management policies and practices used by the Foundation to manage these risks are described below.

Notes to the financial statements

10 Financial risk management (continued)

10.2 Financial risk factors (continued)

(a) Interest rate risk

The Association has exposure on cash flow interest rate risk which mainly arises from bank deposits, which is considered insignificant.

(b) Liquidity risk

The Association monitors its risk to shortage of funds by reviewing its cash flow forecasts, which consider the maturity of both its financial instruments and financial assets and projected cash flows from operations. The Association will consistently maintain a prudent financing policy and ensure that it maintains sufficient cash and credit lines to meet its liquidity requirements.

The maturity profile of the financial liabilities as at the end of the reporting period, based on the contracted undiscounted payments, is as follows:

	Less than 1 year or on demand HK\$	Between 1 and 2 years HK\$	Between 2 and 5 years HK\$	Total HK\$
At 31 December 2015				
Accruals	46,525	-	-	46,525
At 31 December 2014				
Accruals	44,197	-	-	44,197

(c) Credit risk

The Association is exposed to credit risk on financial assets mainly attributable to bank balances. As these deposits are placed in a bank with good reputation, the credit risk is not considered to be high.

At 31 December 2015, the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

10.3 Fair values

The carrying amounts of the Association's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2015 and 2014.