

JUSTICE CENTRE HONG KONG LIMITED

REPORTING DOCUMENTS
FINANCIAL YEAR ENDED 30 JUNE 2017

JUSTICE CENTRE HONG KONG LIMITED

**REPORTING DOCUMENTS
FINANCIAL YEAR ENDED 30 JUNE 2017**

<u>CONTENTS</u>	<u>PAGE</u>
DIRECTORS' REPORT	1
INDEPENDENT AUDITOR'S REPORT	3
INCOME STATEMENT	7
STATEMENT OF FINANCIAL POSITION	8
NOTES TO THE FINANCIAL STATEMENTS	9

JUSTICE CENTRE HONG KONG LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of Justice Centre Hong Kong Limited (the "Association") for the year ended 30 June 2017.

PRINCIPAL ACTIVITY

The Association's principal activity is set out in note 1(b) to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Association for the year ended 30 June 2017 are set out in the income statement and statement of financial position on pages 7 & 8.

The directors do not recommend the payment of a dividend in respect of the year ended 30 June 2017.

DIRECTORS

The names of persons who were the directors of the Association during the financial year are as follows:

MACDONALD Thai	
FABRIZIO Cecilia	
CAMPBELL Susan Gai	(Resigned on 31 January 2018)
MCDONALD Fiona	
TAYLOR Karen Fiona	(Resigned on 18 April 2018)
WONG Bruce Ting Wai	
TREVES Alexander Richard	(Resigned on 13 December 2017)
HUARD DE VERNEUIL Vanina Alexandra	
AU-YEUNG Kit Ping	
SUTTON Jennifer Ruth	(Resigned on 29 March 2017)
MEECHAM Patricia Jane	(Resigned on 29 March 2017)
CH'ANG Sharyn Vicki	(Appointed on 17 October 2017)
YIAP Siew Fong	(Appointed on 17 October 2017 and resigned on 18 April 2018)

As there being no provision in the Association's Articles of Association for the retirement of director by rotation, all directors remain in office.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Association.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Association.

JUSTICE CENTRE HONG KONG LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts 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 year or at any time during the year.

MANAGEMENT CONTRACTS

The Association has not entered into any contract whereby the management and administration of the whole or any substantial part of the Association's business have been undertaken by a party other than the Association's director or employee.

BUSINESS REVIEW

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

EQUITY-LINKED ARRANGEMENTS

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

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


AUDITOR

During the year, PROCON CPA Limited, Certified Public Accountants, who acted as auditor of the Association for the past years, resigned and Nova CPA & Company was appointed as auditor of the Association. A resolution will be submitted to the annual general meeting to re-appoint the auditor, Nova CPA & Company.

APPROVAL OF DIRECTORS' REPORT

This report was approved by the directors on

On behalf of the Board



MACDONALD Thai
Chairman
Hong Kong



NOVA CPA & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS PRACTISING
利華會計師事務所

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JUSTICE CENTRE HONG KONG LIMITED

(Incorporated in Hong Kong with limited liability by guarantee)

Opinion

We have audited the financial statements of Justice Centre Hong Kong Limited (the "Association") set out on pages 7 to 15, which comprise the statement of financial position as at 30 June 2017, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with the SME-FRS issued by the 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 ("HKSA") and with reference to Practice Note 900 (Revised), *Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard* 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.

Other matter

The financial statements of the Association for the year ended 30 June 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 20 February 2017.

Other information

The directors are responsible for the other information. The other information comprises the directors' report set out on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.



NOVA CPA & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS PRACTISING

利華會計師事務所

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JUSTICE CENTRE HONG KONG LIMITED

(Incorporated in Hong Kong with limited liability by guarantee)

Other information (Continued)

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 the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS 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.

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. 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:



NOVA CPA & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS PRACTISING

利華會計師事務所

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JUSTICE CENTRE HONG KONG LIMITED

(Incorporated in Hong Kong with limited liability by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.

NOVA®

NOVA CPA & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS PRACTISING
利華會計師事務所

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JUSTICE CENTRE HONG KONG LIMITED

(Incorporated in Hong Kong with limited liability by guarantee)

Auditor's responsibilities for the audit of the financial statements (continued)

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.



NOVA CPA & COMPANY
Certified Public Accountants (Practising)

LI WEN TAO
Practising Certificate Number: P05779

Hong Kong, 24 APR 2018

JUSTICE CENTRE HONG KONG LIMITED

INCOME STATEMENT FINANCIAL YEAR ENDED 30 JUNE 2017

	<u>Note</u>	<u>2017</u> <u>HK\$</u>	<u>2016</u> <u>HK\$</u>
Revenue	4	5,625,358	6,001,363
Other revenue and net gains	4	<u>16,727</u>	<u>9,795</u>
		5,642,085	6,011,158
Operating expenses			
Administrative expenses		<u>(5,853,650)</u>	<u>(6,109,176)</u>
Deficit before taxation	5	(211,565)	(98,018)
Taxation	7	<u>-</u>	<u>-</u>
Deficit for the year		<u>(211,565)</u>	<u>(98,018)</u>


The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements

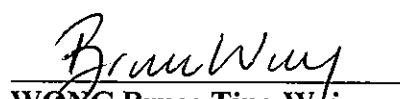
JUSTICE CENTRE HONG KONG LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	<u>Note</u>	<u>2017</u> <u>HK\$</u>	<u>2016</u> <u>HK\$</u>
Non-current Assets			
Property, plant and equipment	8	283,675	650,896
Current Assets			
Trade and other receivables		84,303	416,461
Cash and cash equivalents		1,999,513	1,729,938
		2,083,816	2,146,399
Current Liabilities			
Other payables		(89,313)	(307,552)
Net current assets		1,994,503	1,838,847
Net assets		2,278,178	2,489,743
Funds			
Retained surplus	9	2,278,178	2,489,743

Approved by


MACDONALD Thai
Director


WONG Bruce Ting Wai
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements

JUSTICE CENTRE HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30 JUNE 2017

1. GENERAL

(a) Definition

In these reporting documents, the following terms shall have the following meanings:

The Association	Justice Centre Hong Kong Limited
The directors	all of the directors of the Association
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap.622) which came into operation on 3 March 2014
Predecessor Companies Ordinance	Predecessor Hong Kong Companies Ordinance (Cap.32) as in force from time to time before the commencement date of the Hong Kong Companies Ordinance
HKICPA	Hong Kong Institute of Certified Public Accountants
SME-FRF	Revised Small and Medium-sized Entity Financial Reporting Framework issued by HKICPA applicable to the financial statements for the financial period beginning on or after 3 March 2014
SME-FRS	Revised Small and Medium-sized Entity Financial Reporting Standard issued by HKICPA applicable to the financial statements for the financial period beginning on or after 3 March 2014
Cash equivalents	short-term, highly liquid investments those are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value
Fair value	the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction
Related company	a company in which one or more related parties have beneficial interests thereon or are in a position to exercise significant influence

JUSTICE CENTRE HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30 JUNE 2017

1. GENERAL (CONTINUED)

(b) Corporate Information

The Association is a company incorporated in Hong Kong under Predecessor Companies Ordinance with limited liability by guarantee. Under the provisions of the Association's Memorandum and Articles of Association, every member shall, in the event of the Association being wound up, contribute to the assets of the Association to the extent of HK\$100. As at 30 June 2017, the Association had 4 members (2016:4 members). At the date of issue of these financial statements, the registered office of the Company is located at L1, The Sparkle, 500 Tung Chau Street, West Kowloon, Hong Kong. Its principal activity consists of the Association is safeguarding the rights and well-being of refugees in Hong Kong on a non-profit making basis.

(c) Presentation currency and level of rounding

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$) rounded to the nearest one dollar.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements comply with all applicable sections of SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

(b) Basis of measurement

The measurement bases used in preparing these financial statements are set out in note 3 to the financial statements.

JUSTICE CENTRE HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30 JUNE 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Association qualifies for the reporting exemption as a small private company under sections 359(1)(a) of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with SME-FRS. These financial statements have been prepared in accordance with SME-FRS.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

(a) Revenue

Revenue consists of turnover and other revenue but excludes the reversal of impairment and provisions. Turnover comprises revenue generated from the principal activity of the Association. Other revenue includes exchange gain (net of exchange loss) and gain on disposal of capital assets.

Revenue is recognized as income when it is probable that the economic benefits associated with transaction will flow to the Association and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes on the following bases.

Income from donations is recognised when the donations are received or receivable.

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Leases

Leases that retain substantially all the risk and rewards incidental to ownership of the leased assets by the lessor are accounted for as operating leases. Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term. All incentives for agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased assets. The aggregate benefit of incentives is recognised as a reduction of rental expenses over the lease term.

(c) Income taxes

The Association being a charitable institution or trust of a public character is exempt from tax under Section 88 of the Inland Revenue Ordinance with effect from 10 November 2008.

JUSTICE CENTRE HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30 JUNE 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Leasehold improvement	20%
Furniture and fixtures	20%
Office equipment	20%

(e) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(f) Foreign currency transactions

The reporting currency of the Association is Hong Kong Dollar. Foreign currency transactions are translated into the reporting currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the approximate rates of exchange ruling at that date. Exchange differences arising on the settlement of monetary items or on translation of foreign currency monetary assets and liabilities are recognised as income or expenses.

JUSTICE CENTRE HONG KONG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 30 JUNE 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and taken in the income statement.

4. REVENUE

	<u>2017</u> HK\$	<u>2016</u> HK\$
Turnover		
Donation income	<u>5,625,358</u>	<u>6,001,363</u>
Other revenue and net gains		
Exchange gains, net of exchange losses	16,707	9,780
Interest income	20	15
	<u>16,727</u>	<u>9,795</u>

5. DEFICIT BEFORE TAXATION

This is arrived at after charging:

	<u>2017</u> HK\$	<u>2016</u> HK\$
Employee benefit expenses		
Salaries, wages and other benefits	3,737,337	3,282,418
Contributions to defined contribution plan	119,167	139,713
	<u>3,856,504</u>	<u>3,422,131</u>
Depreciation	195,340	132,455
Operating lease charges in respect of land and buildings	<u>532,326</u>	<u>653,940</u>

6. DIRECTORS' REMUNERATION

The directors received no remuneration for their services to the Association during the year (2016: Nil).

JUSTICE CENTRE HONG KONG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 30 JUNE 2017**

7. TAXATION

The Association being a charitable institution or trust of a public character is exempt from tax under Section 88 of the Inland Revenue Ordinance with effect from 10 November 2008.

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
<u>Cost</u>				
At 1 July 2015	276,180	62,658	247,228	586,066
Additions	-	96,282	340,890	437,172
Disposals	-	(12,533)	-	(12,533)
At 30 June 2016	276,180	146,407	588,118	1,010,705
Additions	-	9,400	1,880	11,280
Disposals	(276,180)	(96,591)	(68,056)	(440,827)
At 30 June 2017	-	59,216	521,942	581,158
<u>Accumulated depreciation</u>				
At 1 July 2015	115,070	25,519	96,793	237,382
Provided for the year	55,234	16,063	61,158	132,455
Eliminated on disposals	-	(10,028)	-	(10,028)
At 30 June 2016	170,304	31,554	157,951	359,809
Provided for the year	32,223	21,845	141,272	195,340
Eliminated on disposals	(202,527)	(22,994)	(32,145)	(257,666)
At 30 June 2017	-	30,405	267,078	297,483
<u>Carrying values</u>				
At 30 June 2017	-	28,811	254,864	283,675
At 30 June 2016	105,876	114,853	430,167	650,896

JUSTICE CENTRE HONG KONG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 30 JUNE 2017**

9. CHANGES IN EQUITY

	Retained Surplus HK\$
Balance at beginning of year	2,489,743
Deficit for the year	<u>(211,565)</u>
Balance at end of year	<u>2,278,178</u>

10. OPERATING LEASES COMMITMENT

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

	<u>2017</u> HK\$	<u>2016</u> HK\$
Not later than one year	172,100	653,940
Later than one year but not later than five years	<u>154,800</u>	<u>544,950</u>
	<u>326,900</u>	<u>1,198,890</u>

11. APPROVAL AND ISSUE OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the Association's board of directors on