

**THE HONG KONG  
ACADEMY OF NURSING LIMITED**  
(formerly known as The Provisional Hong Kong Academy  
of Nursing Limited)  
(incorporated in Hong Kong with limited  
liability by guarantee)

REPORT OF THE COUNCIL MEMBERS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2015

## **THE HONG KONG ACADEMY OF NURSING LIMITED**

(formerly known as The Provisional Hong Kong Academy of Nursing Limited)  
(incorporated in Hong Kong with limited liability by guarantee)

### **COUNCIL MEMBERS**

Dr. Lum Shun Sui Susie (President)  
Prof. Wong Kam Yuet Frances (Vice President)  
Mr. Tsang Wing Wah (Vice President)  
Ms. Leung Sui Kei Civy (Vice President)  
Ms. Law Siu Ming Susan (Honorary Secretary)  
Dr. Wong Yee Hing Esther (Honorary Treasurer)  
Ms. Sham So Yuen Alice  
Ms. Li Ping Serena  
Dr. Tso Shing Yuk Alice  
Prof. Chair Sek Ying  
Mr. Chiu Hak Fai Alick  
Ms. Lam Yin Ming  
Mr. Yuen Chi Man Anders  
Prof. Wong Chi Sang Martin  
Ms. Liu Yuk Ling Elaine  
Mr. Yeung Kin Keung Frederick  
Ms. Li Yuk Lin Helena  
Prof. Loke Yuen Jean Tak Alice  
Ms. Lee Wai Yee Susanna  
Mrs. Tien Luk Sau Kuen Gloria

(Appointed on 09.08.2015)  
(Resigned on 08.08.2015)

The council member's resignation was due to personal reason.

### **REPORT OF THE COUNCIL MEMBERS**

The council members have pleasure in submitting their report together with the audited financial statements for the year ended 31<sup>st</sup> December, 2015.

### **CHANGE OF THE ACADEMY'S NAME**

Pursuant to a special resolution passed on 8<sup>th</sup> August, 2015, the name of the Academy was changed from The Provisional Hong Kong Academy of Nursing Limited to The Hong Kong Academy of Nursing Limited. Such change of the Academy's name was approved by the Companies Registry on 27<sup>th</sup> August, 2015.

### **PRINCIPAL ACTIVITY**

The principal activity of The Hong Kong Academy of Nursing Limited is to establish the Academy of Nursing which is to promote excellence in nursing and health care in Hong Kong through regulating specialist nursing practice and education.

### **FINANCIAL STATEMENTS**

The financial performance of the Academy for the year ended 31<sup>st</sup> December, 2015 and the financial position of the Academy at that date are set out in the financial statements on pages 5 to 23.

**THE HONG KONG ACADEMY OF NURSING LIMITED**  
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## **REPORT OF THE COUNCIL MEMBERS**

### **COUNCIL MEMBERS**

In accordance with articles 49 and 51 of the Academy's articles of association, subsequent Council Members shall be elected to hold office for an initial term of three years, who in place of the first Council Members.

### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Academy were entered into or existed during the year.

### **PERMITTED INDEMNITY PROVISIONS**

At no time during the year and up to the date of this council members' report, there was or is, any permitted indemnity provision being in force for the benefit of any of the council members of the Academy (whether made by the Academy or otherwise).

### **HONORARY AUDITORS**

The financial statements have been audited by Messrs. Li, Tang, Chen & Co. who retire but, being eligible, offer themselves for re-appointment.

On behalf of the Council

.....  
Lum Shun Sui Susie  
President

Hong Kong,



**INDEPENDENT HONORARY AUDITOR'S REPORT**  
**TO THE MEMBERS OF THE HONG KONG ACADEMY OF NURSING LIMITED**  
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We have audited the financial statements of The Hong Kong Academy of Nursing Limited (the "Academy") set out on pages 5 to 23, which comprise the statement of financial position as at 31<sup>st</sup> December, 2015, and the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Council Members' Responsibilities for the Financial Statements**

The council members 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 council members 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, 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 the 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 council members, 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.

to be cont'd/.....

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Academy as at 31<sup>st</sup> December, 2015 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Li, Tang, Chen & Co.  
Certified Public Accountants (Practising)  
Honorary Auditors  
10/F Sun Hung Kai Centre  
30 Harbour Road  
Wanchai  
Hong Kong

WHC/CYNC:al

**THE HONG KONG ACADEMY OF NURSING LIMITED**  
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**STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER, 2015**

	<u>Note</u>	HK\$	<u>2015</u> HK\$	<u>2014</u> HK
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	15		69,026	205,563
<b>CURRENT ASSETS</b>				
Inventories	16	564		1,128
Accounts receivable	17	18,473		6,000
Deposits and prepayments	18	84,350		144,410
Tax recoverable		35,034		-
Cash and bank balances		<u>2,153,605</u>		<u>1,785,735</u>
		<u>2,292,026</u>		<u>1,937,273</u>
<b>CURRENT LIABILITIES</b>				
Other payables and accrued expenses		27,456		49,054
Tax payable		-		10,036
		<u>27,456</u>		<u>59,090</u>
<b>NET CURRENT ASSETS</b>			<u>2,264,570</u>	<u>1,878,183</u>
<b>NET ASSETS</b>			<u>2,333,596</u>	<u>2,083,746</u>
Representing:				
<b>ACCUMULATED FUND</b>			<u>2,333,596</u>	<u>2,083,746</u>

The financial statements on pages 5 to 23 were approved and authorised for issue by the Council on

.....  
 Lum Shun Sui Susie  
 President

.....  
 Wong Yee Hing Esther  
 Honorary Treasurer

**THE HONG KONG ACADEMY OF NURSING LIMITED**  
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**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2015**

	<u>Note</u>	<u>2015</u> HK\$	<u>2014</u> HK\$
<b>MEMBERSHIP AND SUBSCRIPTION FEES</b>	5	1,979,840	2,058,950
<b>OTHER INCOME AND GAINS</b>	6	1,088,370	1,928,163
<b>OPERATING EXPENSES</b>	7	<u>(2,818,360)</u>	<u>(3,248,000)</u>
<b>SURPLUS BEFORE TAXATION</b>		249,850	739,113
<b>INCOME TAX EXPENSE</b>	13(a)	<u>-</u>	<u>(125,245)</u>
<b>SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>249,850</u>	<u>613,868</u>

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**STATEMENT OF CHANGES IN FUNDS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2015**

	<u>Accumulated fund</u> HK\$
Balance as at 1 <sup>st</sup> January, 2014	1,469,878
Surplus and total comprehensive income for the year	<u>613,868</u>
Balance as at 31 <sup>st</sup> December, 2014 and 1 <sup>st</sup> January, 2015	2,083,746
Surplus and total comprehensive income for the year	<u>249,850</u>
Balance as at 31 <sup>st</sup> December, 2015	<u><u>2,333,596</u></u>



**THE HONG KONG ACADEMY OF NURSING LIMITED**  
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**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2015**

	<u>2015</u> HK\$	<u>2014</u> HK\$
<b>OPERATING ACTIVITIES</b>		
Surplus before taxation	249,850	739,113
Adjustments for:		
Interest income	(34)	(2)
Depreciation	<u>153,482</u>	<u>214,098</u>
<b>Operating surplus before changes in working capital</b>	<b>403,298</b>	<b>953,209</b>
Decrease in inventories	564	9,350
(Increase)/decrease in accounts receivable	(12,473)	17,400
Decrease in deposits and prepayments	60,060	254,495
Decrease in receipts in advance	-	(226,740)
Decrease in other payables and accrued expenses	<u>(21,598)</u>	<u>(30,576)</u>
<b>Cash generated from operations</b>	<b>429,851</b>	<b>977,138</b>
Interest received	34	2
Hong Kong profits tax paid	<u>(45,070)</u>	<u>(336,871)</u>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>384,815</b>	<b>640,269</b>
	-----	-----
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	<u>(16,945)</u>	<u>(62,162)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(16,945)</b>	<b>(62,162)</b>
	-----	-----
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>367,870</b>	<b>578,107</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>1,785,735</u></b>	<b><u>1,207,628</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>2,153,605</u></b>	<b><u>1,785,735</u></b>
	=====	=====
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u>2,153,605</u>	<u>1,785,735</u>
	=====	=====

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**NOTES ON THE FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION**

The Hong Kong Academy of Nursing Limited (the “Academy”) was incorporated in Hong Kong under the Hong Kong Companies Ordinance as a company limited by guarantee without a share capital. Every member of the Academy undertakes to contribute to the assets of the Academy in the event of its being wound up, such amount as may be required not exceeding HK\$100. The Academy’s registered office is located at LG1, School of Nursing, Princess Margaret Hospital, 232 Lai King Hill Road, Lai Chi Kok, Kowloon.

Pursuant to a special resolution passed on 8<sup>th</sup> August, 2015, the name of the Academy was changed from The Provisional Hong Kong Academy of Nursing Limited to The Hong Kong Academy of Nursing Limited. Such change of the Academy’s name was approved by the Companies Registry on 27<sup>th</sup> August, 2015.

The principal activity of the Academy is to establish the Academy of Nursing which is to promote excellence in nursing and health care in Hong Kong through regulating specialist nursing practice and education.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Academy.

**2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued certain amendments to HKFRSs that are first effective for the current accounting period of the Academy. The council members of the Academy consider that none of amendments are relevant to the Academy’s results and financial position.

The Academy has not applied any new standard or interpretation that is not yet effective for the current accounting year (note 21).

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**NOTES ON THE FINANCIAL STATEMENTS**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation:

These financial statements have been prepared in accordance with HKFRSs (which also include Hong Kong Accounting Standards and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, 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 judgments 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.

b) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Academy and the cost of the item can be measured reliably. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates:

Office equipment	30% per annum
Leasehold improvements	30% per annum

The gain or loss on disposal or retirement of a property, plant and equipment recognised in surplus or deficit, is the difference between the net sales proceeds and the carrying amount of the relevant asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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**NOTES ON THE FINANCIAL STATEMENTS**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

c) Inventories:

Inventories are stated at the lower of cost or net realisable value. Cost represents costs of purchase calculated on first-in first-out basis. Net realisable value is determined by reference to the sale proceeds of items sold after the end of the reporting period.

d) Cash and cash equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and 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, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Academy's cash management.

e) Impairment of assets:

At the end of each reporting period, the Academy reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior year. A reversal of an impairment loss is recognised as income immediately.

f) Payables:

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

g) Revenue recognition:

- i) Membership subscription and vetting fee are recognised on an accrual basis.
- ii) Donations are recognised on a cash received basis.
- iii) Revenue from event is recognised when an event was held.
- iv) Interest income is recognised as it accrues using the effective interest method.
- v) Sales of goods are recognised when goods are delivered and title has passed.

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**NOTES ON THE FINANCIAL STATEMENTS**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

h) Taxation:

Income tax expense represents the sum of the currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from accounting profit as reported in surplus or deficit because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Academy's liability for current tax is calculated using tax rates that are enacted under the Inland Revenue Ordinance at the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 realised. Deferred tax is recognised in surplus or deficit except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case they are recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Academy intends to settle its current tax assets and liabilities on a net basis.

i) Related parties:

- a) A person or a close member of that person's family is related to the Academy if that person:
  - i) has control or joint control over the Academy;
  - ii) has joint control or significant influence over the Academy; or
  - iii) is a member of the key management personnel of the Academy or of the Academy's parent.

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**NOTES ON THE FINANCIAL STATEMENTS**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

- i) Related parties: (cont'd)
- b) An entity is related to the Academy if any of the following conditions applies:
- i) The entity and the Academy 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 party.
  - 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 Academy or an entity related to the Academy.
  - vi) The entity is controlled or jointly controlled by a person identified in (a).
  - vii) A person identified in (a)(i) 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).
  - viii) The entity, or any member of the Academy of which it is a part, provides key management personnel services to the Academy or to the Academy's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

- j) Employee benefits:

The Academy joins a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF scheme. Contributions are made based on a percentage of the employee's basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF scheme. The assets of the MPF scheme are held separately from those of the Academy in an independently administered fund. The Academy's employer contributions vest fully with the employees when contributed into the MPF scheme.

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**NOTES ON THE FINANCIAL STATEMENTS**

**4. FINANCIAL INSTRUMENTS**

Exposure to credit risk, liquidity risk and interest rate risk arises in the normal course of the Academy's operation. These risks are limited by the Academy's financial risk management policies and practices described below.

a) Financial risk factors:

i) Credit risk

The credit risk on liquid funds is limited because the counterparty is a reputable bank.

ii) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities.

The Academy's policy is to regularly monitor current and expected requirements to ensure that it maintains sufficient reserve of cash to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Academy's financial liabilities which are based on contractual undiscounted cash flows and the earliest date the Academy can be required to pay.

	2015		
	Carrying amount HK\$	Total contractual undiscounted cash flow HK\$	Within 1 year or on demand HK\$
Accrued expenses	27,456	(27,456)	(27,456)
	-----	-----	-----
	2014		
	Carrying amount HK\$	Total contractual undiscounted cash flow HK\$	Within 1 year or on demand HK\$
Other payables and accrued expenses	49,054	(49,054)	(49,054)
	-----	-----	-----

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**NOTES ON THE FINANCIAL STATEMENTS**

**4. FINANCIAL INSTRUMENTS (CONT'D)**

a) Financial risk factors: (cont'd)

iii) Interest rate risk

At the end of the reporting period, the Academy had no interest-bearing financial liabilities. The Academy's interest-bearing financial assets only include short-term bank balances. The Academy's income and operating cash flows are substantially independent of changes in market interest rates. Due to the fact that the changes in interest rate will have no material impact on the result of the Academy and accordingly, the sensitivity analysis in respect of the changes in interest rate is not presented.

b) Fair value estimation:

The carrying values of all of the financial assets and liabilities approximate to their fair values as at 31<sup>st</sup> December, 2015 and 2014.

c) Capital management:

The Academy's objectives when managing capital are to safeguard the Academy's ability to continue as a going concern, to support the Academy's stability and growth and to provide fund for the purpose of strengthening the Academy's risk management capability.

**5. MEMBERSHIP AND SUBSCRIPTION FEES**

	<u>2015</u> HK\$	<u>2014</u> HK\$
Members' subscriptions	1,979,840	1,434,950
Vetting fees	<u>-</u>	<u>624,000</u>
	<u>1,979,840</u>	<u>2,058,950</u>



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**NOTES ON THE FINANCIAL STATEMENTS**

**6. OTHER INCOME AND GAINS**

	<u>2015</u> HK\$	<u>2014</u> HK\$
Donations	30,756	6,000
Course fee income	27,600	-
Income from sale of badges	-	11,100
Income from International Nurses Day Celebration 2015/2014 (Note 8)	800,180	753,911
Income from Charity Film Show 2014 (Note 9)	-	310,650
Income from Health Carnival 2015/2014 (Note 10)	69,500	37,500
Income from Nurses Initiatives on Tobacco Control Project (Note 11)	-	755,800
Bank interest income	34	2
Sundry income	<u>160,300</u>	<u>53,200</u>
	<u>1,088,370</u>	<u>1,928,163</u>

**7. OPERATING EXPENSES**

	<u>2015</u> HK\$	<u>2014</u> HK\$
Depreciation on property, plant and equipment	153,482	214,098
Staff salaries	1,050,140	857,679
Contribution to mandatory provident fund	49,344	42,685
Cost of badges sold	-	8,947
Operating lease charges on rented premise	351,040	316,800
Expenditure for International Nurses Day Celebration 2015/2014 (Note 8)	771,591	677,914
Expenditure for Charity Film Show 2014 (Note 9)	-	24,226
Expenditure for Health Carnival 2015/2014 (Note 10)	55,936	43,520
Expenditure from Nurses Initiatives on Tobacco Control Project (Note 11)	-	750,970
Other operating expenses	<u>386,827</u>	<u>311,161</u>
	<u>2,818,360</u>	<u>3,248,000</u>

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**NOTES ON THE FINANCIAL STATEMENTS**

**8. INTERNATIONAL NURSES DAY CELEBRATION 2015/2014**

	<u>2015</u> HK\$	<u>2014</u> HK\$
<b>Revenue</b>		
Sponsorship	336,000	319,000
Sales of dinner tickets	464,175	434,490
Bank interest	5	1
Sundry income	-	420
	<u>800,180</u>	<u>753,911</u>
Less:		
<b>Expenditure</b>		
Production fees	159,656	91,939
Banquet and catering fees	534,540	508,123
Office supplies	4,323	1,150
Postage	160	414
Printing	11,820	11,875
Venue rental	8,891	-
Gifts	48,200	61,147
Souvenirs	-	899
Travelling and transportation	245	1,845
Bank charges	-	400
Sundry expenses	3,756	122
	<u>771,591</u>	<u>677,914</u>
<b>Surplus for the year</b>	<u>28,589</u>	<u>75,997</u>

**9. CHARITY FILM SHOW 2014**

	<u>2015</u> HK\$	<u>2014</u> HK\$
<b>Revenue</b>		
Donations	-	145,550
Sales of tickets	-	165,100
	<u>-</u>	<u>310,650</u>
Less:		
<b>Expenditure</b>		
Venue rental	-	12,000
Screening fee	-	6,000
Banner	-	2,500
Tickets and pamphlets printing	-	2,400
Sundry expenses	-	1,326
	<u>-</u>	<u>24,226</u>
<b>Surplus for the year</b>	<u>-</u>	<u>286,424</u>

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**NOTES ON THE FINANCIAL STATEMENTS**

**10. HEALTH CARNIVAL 2015/2014**

	<u>2015</u> HK\$	<u>2014</u> HK\$
<b>Revenue</b>		
Sponsorship	69,500	37,500
	-----	-----
Less:		
<b>Expenditure</b>		
Production fees	46,564	36,390
Insurance	1,000	1,000
Office supplies	2,338	2,000
Souvenir	2,973	-
Postage	154	-
Printing	1,060	1,310
Travelling and transportation	1,116	2,506
Miscellaneous	731	314
	<u>55,936</u>	<u>43,520</u>
	-----	-----
<b>Surplus/(deficit) for the year</b>	<u>13,564</u>	<u>(6,020)</u>

**11. NURSES INITIATIVES ON TOBACCO CONTROL PROJECT**

	<u>2015</u> HK\$	<u>2014</u> HK\$
<b>Income</b>		
Funds from Hong Kong Council on Smoking and Health	-	755,800
	-----	-----
Less:		
<b>Expenditure</b>		
Production fees	-	102,190
Catering	-	13,750
Gimmick	-	122,950
Printing	-	64,553
Venue rental	-	14,607
Salaries	-	100,000
Supplies	-	13,186
Survey research	-	245,170
Transportation	-	23,661
Sundry expenses	-	50,903
	<u>-</u>	<u>750,970</u>
	-----	-----
<b>Surplus for the year</b>	<u>-</u>	<u>4,830</u>

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**12. AUDITORS' REMUNERATION**

No fee was charged by the Honorary Auditors for the years ended 31<sup>st</sup> December, 2015 and 2014.

**13. INCOME TAX EXPENSE**

a) Income tax expense in the statement of comprehensive income represented:

	<u>2015</u> HK\$	<u>2014</u> HK\$
Hong Kong profits tax		
- current year	-	145,245
- overprovision in respect of previous years	<u>-</u>	<u>(20,000)</u>
	<u>-</u>	<u>125,245</u>

No provision for Hong Kong profits tax has been made as the Academy is exempted from all taxes pursuant to section 88 of the Inland Revenue Ordinance with effect from 8<sup>th</sup> January, 2015 (2014: provision for Hong Kong profits tax had been made at the rate of 16.5% on the estimated assessable profits for the year ended 31<sup>st</sup> December, 2014).

b) The income tax expense for the year can be reconciled to the surplus before taxation per statement of comprehensive income as follows:

	<u>2015</u> HK\$	<u>2014</u> HK\$
Surplus before taxation	<u>-</u>	<u>739,113</u>
Tax at statutory income tax rate of 16.5%	-	121,953
Tax effect on unrecognised temporary differences	-	23,292
Overprovision in respect of previous years	<u>-</u>	<u>(20,000)</u>
Income tax expense for the year	<u>-</u>	<u>125,245</u>

c) Tax recoverable stated in the statement of financial position represents the excess of provisional profits tax paid over the estimated profits tax liability for the year.

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**14. COUNCIL MEMBERS' REMUNERATION**

Council members' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulations are as follows:

	<u>2015</u> HK\$	<u>2014</u> HK\$
Fees	Nil	Nil
Salaries, allowances and benefits in kind	Nil	Nil

**15. PROPERTY, PLANT AND EQUIPMENT**

	<u>Office equipment</u> HK\$	<u>Leasehold improvements</u> HK\$	<u>Total</u> HK\$
<b>Cost</b>			
At 1 <sup>st</sup> January, 2014	78,160	573,339	651,499
Additions	<u>56,162</u>	<u>6,000</u>	<u>62,162</u>
At 31 <sup>st</sup> December, 2014 and 1 <sup>st</sup> January, 2015	134,322	579,339	713,661
Additions	<u>16,945</u>	<u>-</u>	<u>16,945</u>
At 31 <sup>st</sup> December, 2015	<u>151,267</u>	<u>579,339</u>	<u>730,606</u>
<b>Accumulated depreciation</b>			
At 1 <sup>st</sup> January, 2014	31,998	262,002	294,000
Charge for the year	<u>40,297</u>	<u>173,801</u>	<u>214,098</u>
At 31 <sup>st</sup> December, 2014 and 1 <sup>st</sup> January, 2015	72,295	435,803	508,098
Charge for the year	<u>39,680</u>	<u>113,802</u>	<u>153,482</u>
At 31 <sup>st</sup> December, 2015	<u>111,975</u>	<u>549,605</u>	<u>661,580</u>
<b>Net book value</b>			
At 31 <sup>st</sup> December, 2015	<u>39,292</u>	<u>29,734</u>	<u>69,026</u>
At 31 <sup>st</sup> December, 2014	<u>62,027</u>	<u>143,536</u>	<u>205,563</u>

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**16. INVENTORIES**

	<u>2015</u> HK\$	<u>2014</u> HK\$
Badges stated at cost	564	1,128

**17. ACCOUNTS RECEIVABLE**

	<u>2015</u> HK\$	<u>2014</u> HK\$
Members' subscriptions receivables	15,840	-
Sponsorship receivable	-	6,000
Other receivables	<u>2,633</u>	<u>-</u>
	<u>18,473</u>	<u>6,000</u>

The ageing analysis of members' subscriptions and sponsorship receivables that are neither individually nor collectively considered to be impaired are as follows:

	<u>2015</u> HK\$	<u>2014</u> HK\$
Neither past due nor impaired	<u>15,840</u>	<u>6,000</u>

Receivables that were neither past due nor impaired relate to the members and sponsor that have a good track record with the Academy. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Academy does not hold any collateral over these balances.

**18. DEPOSITS AND PREPAYMENTS**

	<u>2015</u> HK\$	<u>2014</u> HK\$
Deposits	60,350	126,350
Prepayments	<u>24,000</u>	<u>18,060</u>
	<u>84,350</u>	<u>144,410</u>

The amount of the Academy's deposits and prepayments expected to be recovered after more than one year is HK\$350 (2014: HK\$350).

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**19. OPERATING LEASE COMMITMENTS**

At the end of the reporting period, the Academy had entered into the lease agreement with a landlord. The lease is last for three years. The total future minimum lease payments under non-cancellable operating lease in respect of land and buildings falling due are as follows:

	<u>2015</u> HK\$	<u>2014</u> HK\$
Within one year	368,160	105,600
In the second to fifth years, inclusive	<u>490,880</u>	<u>-</u>
	<u>859,040</u>	<u>105,600</u>

**20. RELATED PARTY TRANSACTIONS**

- a) During the year, the Academy had entered into the following material transactions with its council members:

	<u>2015</u> HK\$	<u>2014</u> HK\$
Sponsorship for International Nurses Day Celebration 2015/2014 received from institutional members	7,000	7,000
Donations for Charity Film Show 2014 received from council members	-	73,000
Sale of badges to institutional members	-	11,100
Sale of Charity Film Show 2014 tickets to council members	-	32,100
Sale of Charity Film Show 2014 tickets to institutional members	-	50,300
Sale of International Nurses Day Celebration 2015/2014 tickets to institutional members	73,125	69,720
Secretarial services income received from institutional members	158,500	52,000
Course fee income received from institutional members	<u>27,000</u>	<u>-</u>

- b) The Academy's key management personnel represent the council members of the Academy. No emoluments was paid or payable to council members of the Academy during the years ended 31<sup>st</sup> December, 2015 and 2014.

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**NOTES ON THE FINANCIAL STATEMENTS**

**21. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2015**

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31<sup>st</sup> December, 2015 and which have not been adopted in these financial statements.

The Academy is in the process of making an assessment of what the impact of those amendments and new standards 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 Academy's results of operations and financial position.