

THE 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 31ST DECEMBER, 2017

THE HONG KONG ACADEMY OF NURSING LIMITED
(incorporated in Hong Kong with limited liability by guarantee)

COUNCIL MEMBERS

Prof. Wong Kam Yuet Frances (President)
Dr. Lum Shun Sui Susie (Immediate Past President)
Ms. Lee Wai Yee Susanna (Vice President – Internal)
Ms. Leung Sui Kei Civy (Vice President – External)
Ms. Sham So Yuen Alice (Vice President – Education)
Ms. Li Yuk Lin Helena (Honorary Secretary)
Ms. Chan Sau Kuen Becky (Honorary Treasurer)
Mr. Tsang Wing Wah
Mr. Chiu Hak Fai Alick
Ms. Lam Yin Ming
Prof. Wong Chi Sang Martin
Ms. Liu Yuk Ling Elaine
Mr. Yeung Kin Keung Frederick
Prof. Loke Yuen Jean Tak Alice
Prof. Sit Wing Hung Janet
Dr. Chan Chi Chung (Appointed on 17.6.2017)
Ms. Ho Ka Man (Appointed on 17.6.2017)
Ms. Ng Yee Man Winnie (Appointed on 17.6.2017)
Ms. Or Yuen Mai (Appointed on 17.6.2017)
Ms. Chong Yuen Chun Samantha (Resigned on 16.6.2017 and reappointed on 17.6.2017)
Ms. Law Siu Ming Susan (Resigned on 17.6.2017)
Dr. Wong Yee Hing Esther (Resigned on 17.6.2017)
Ms. Li Ping Serena (Resigned on 17.6.2017)
Dr. Tso Shing Yuk Alice (Resigned on 17.6.2017)

The council members' resignation were due to personal reason.

COUNCIL MEMBERS' REPORT

The council members have pleasure in submitting their report together with the audited financial statements for the year ended 31st December, 2017.

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 31st December, 2017 and the financial position of the Academy at that date are set out in the financial statements on pages 6 to 24.

THE HONG KONG ACADEMY OF NURSING LIMITED
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COUNCIL MEMBERS' REPORT

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

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Wong Kam Yuet Frances
President

Hong Kong,



**INDEPENDENT HONORARY AUDITOR'S REPORT
TO THE MEMBERS OF THE HONG KONG ACADEMY OF NURSING LIMITED**
(incorporated in Hong Kong with limited liability by guarantee)

OPINION

We have audited the financial statements of Hong Kong Academy of Nursing Limited (the "Academy") set out on pages 6 to 24, which comprise the statement of financial position as at 31st December, 2017, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Academy as at 31st December, 2017 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("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") 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 Academy 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.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The council members are responsible for the other information. The other information comprises all the information included in the council members' report, but does not include the financial statements and our auditor's report thereon.

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.

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RESPONSIBILITIES OF COUNCIL MEMBERS 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 HKFRSs issued by the HKICPA 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.

In preparing the financial statements, the council members are responsible for assessing the Academy'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 council members either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

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. This report is made 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONT'D)**

- Conclude on the appropriateness of the council members' 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 Academy'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 Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with council members 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.

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

WHC/CYNC:mc

THE HONG KONG ACADEMY OF NURSING LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2017

	<u>Note</u>	<u>2017</u> HK\$	<u>2016</u> HK
NON-CURRENT ASSETS			
Plant and equipment	16	20,632	32,720
CURRENT ASSETS			
Inventories	17	8,260	8,260
Accounts receivable	18	53,451	623,843
Deposits and prepayments	19	158,580	134,880
Cash and bank balances		4,309,370	2,990,165
		<u>4,529,661</u>	<u>3,757,148</u>
CURRENT LIABILITIES			
Other payables and accrued expenses		87,673	15,731
NET CURRENT ASSETS		<u>4,441,988</u>	<u>3,741,417</u>
NET ASSETS		<u>4,462,620</u>	<u>3,774,137</u>
Representing:			
ACCUMULATED FUND		<u>4,462,620</u>	<u>3,774,137</u>

The financial statements on pages 6 to 24 were approved and authorised for issue by the Council on

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 Wong Kam Yuet Frances
 President

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 Chan Sau Kuen Becky
 Honorary Treasurer

THE HONG KONG ACADEMY OF NURSING LIMITED
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2017

	<u>Note</u>	<u>2017</u> HK\$	<u>2016</u> HK\$
MEMBERSHIP AND SUBSCRIPTION FEES	5	1,822,940	1,905,080
OTHER INCOME AND GAINS	6	1,702,492	2,636,323
OPERATING EXPENSES	7	<u>(2,836,949)</u>	<u>(3,120,862)</u>
SURPLUS BEFORE TAXATION		688,483	1,420,541
INCOME TAX INCOME	14	<u>-</u>	<u>20,000</u>
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>688,483</u>	<u>1,440,541</u>

THE HONG KONG ACADEMY OF NURSING LIMITED
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STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31ST DECEMBER, 2017

	<u>Accumulated fund</u> HK\$
Balance as at 1 st January, 2016	2,333,596
Surplus and total comprehensive income for the year	<u>1,440,541</u>
Balance as at 31 st December, 2016 and 1 st January, 2017	3,774,137
Surplus and total comprehensive income for the year	<u>688,483</u>
Balance as at 31 st December, 2017	<u><u>4,462,620</u></u>

THE HONG KONG ACADEMY OF NURSING LIMITED
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
OPERATING ACTIVITIES		
Surplus before taxation	688,483	1,420,541
Adjustments for:		
Interest income	(42)	(35)
Depreciation	<u>23,039</u>	<u>64,486</u>
Operating surplus before changes in working capital	<u>711,480</u>	<u>1,484,992</u>
Increase in inventories	-	(7,696)
Decrease/(increase) in accounts receivable	570,392	(605,370)
Increase in deposits and prepayments	(23,700)	(50,530)
Increase/(decrease) in other payables and accrued expenses	<u>71,942</u>	<u>(11,725)</u>
Cash generated from operations	<u>1,330,114</u>	<u>809,671</u>
Interest received	42	35
Hong Kong profits tax refunded	<u>-</u>	<u>55,034</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>1,330,156</u>	<u>864,740</u>
	-----	-----
INVESTING ACTIVITIES		
Purchases of plant and equipment	<u>(10,951)</u>	<u>(28,180)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(10,951)</u>	<u>(28,180)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	1,319,205	836,560
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,990,165</u>	<u>2,153,605</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>4,309,370</u></u>	<u><u>2,990,165</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>4,309,370</u></u>	<u><u>2,990,165</u></u>

THE HONG KONG ACADEMY OF NURSING LIMITED
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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.

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 several 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 developments have material impact on the Academy’s financial performance and financial position for current and prior years.

The Academy has not applied any new standard or interpretation that is not yet effective for the current accounting year (see note 22).

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 HONG KONG ACADEMY OF NURSING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

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

a) Basis of preparation: (cont'd)

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) Plant and equipment:

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 the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided to write off the cost of items of 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 plant and equipment recognised in the statement of comprehensive income, 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.

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.

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NOTES ON THE FINANCIAL STATEMENTS

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

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) Members' subscriptions 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) Course fee is recognised when the relevant course was completed.
- v) Sales of goods are recognised when goods are delivered and title has passed.
- vi) Rental income is recognised on a straight-line basis over the lease term.
- vii) Interest income is recognised as it accrues using the effective interest method.

h) 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.

THE HONG KONG ACADEMY OF NURSING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

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

- 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.
 - 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 a group 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.

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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:

	2017		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$	HK\$	HK\$
Other payables and accrued expenses	87,673	(87,673)	(87,673)
	2016		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$	HK\$	HK\$
Other payables and accrued expenses	15,731	(15,731)	(15,731)

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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 31st December, 2017 and 2016 due to their short-term maturities of these assets and liabilities.

- 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>2017</u> HK\$	<u>2016</u> HK\$
Members' subscriptions	1,822,940	1,905,080

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NOTES ON THE FINANCIAL STATEMENTS

6. OTHER INCOME AND GAINS

	<u>2017</u> HK\$	<u>2016</u> HK\$
Donations	48,735	48,750
Sponsorship income	12,000	-
Course fee income	50,720	21,000
Income from sale of badges	-	1,100
Income from International Nurses Day Celebration 2017/2016 (Note 8)	716,630	900,580
Income from Charity Nourishing Feast 2016 (Note 9)	-	1,114,425
Income from World Health Day 2016 (Note 10)	-	11,000
Income from Health Carnival 2017 (Note 11)	45,000	-
Income from Charity Chinese Opera 2017 (Note 12)	814,519	-
Income from 9 th International Council of Nurses/ International Nurse Practitioner/Advanced Practice Nursing Network	-	428,313
Rental income	3,500	2,500
Bank interest income	42	35
Exchange gain	346	-
Sundry income	<u>11,000</u>	<u>108,620</u>
	<u>1,702,492</u>	<u>2,636,323</u>

7. OPERATING EXPENSES

	<u>2017</u> HK\$	<u>2016</u> HK\$
Depreciation on plant and equipment	23,039	64,486
Staff salaries	959,878	1,025,424
Contribution to mandatory provident fund	39,409	44,745
Cost of badges sold	-	1,100
Operating lease charges on rented premise	368,160	368,160
Expenditure for International Nurses Day Celebration 2017/2016 (Note 8)	797,052	845,588
Expenditure for Charity Nourishing Feast 2016 (Note 9)	-	438,357
Expenditure for World Health Day 2016 (Note 10)	-	43,748
Expenditure for Health Carnival 2017 (Note 11)	60,023	-
Expenditure for Nurses Initiatives on Tobacco Control Project	-	4,500
Expenditure for Charity Chinese Opera 2017 (Note 12)	306,759	-
Expenditure for Community Project Activities	20,458	-
Expenditure for Professional Development Activities	54,200	-
Other operating expenses	<u>207,971</u>	<u>284,754</u>
	<u>2,836,949</u>	<u>3,120,862</u>

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NOTES ON THE FINANCIAL STATEMENTS

8. INTERNATIONAL NURSES DAY CELEBRATION 2017/2016

	<u>2017</u> HK\$	<u>2016</u> HK\$
Revenue		
Sponsorship	266,400	420,000
Sales of dinner tickets	450,225	480,375
Bank interest	5	5
Donations	-	200
	<u>716,630</u>	<u>900,580</u>
	-----	-----
Less:		
Expenditure		
Production fees	184,355	180,355
Banquet and catering fees	552,364	562,260
Office supplies	1,006	3,726
Postage	-	310
Printing	9,797	10,287
Bank charges	210	-
Gifts	43,731	40,621
Souvenirs	-	14,400
Travelling and transportation	2,000	1,920
Sundry expenses	2,643	202
Performance	946	31,507
	<u>797,052</u>	<u>845,588</u>
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(Deficit)/surplus for the year	<u>(80,422)</u>	<u>54,992</u>

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NOTES ON THE FINANCIAL STATEMENTS

9. CHARITY NOURISHING FEAST 2016

	<u>2017</u> HK\$	<u>2016</u> HK\$
Revenue		
Donations	-	794,925
Program book advertisement	-	172,000
Auction	-	147,500
	<u>-</u>	<u>1,114,425</u>
	-----	-----
Less:		
Expenditure		
Production	-	29,100
Performance	-	18,000
Souvenirs	-	13,300
Postage & courier	-	427
Printing	-	90,153
Banquet & catering	-	279,408
Travel & transportation	-	3,227
Miscellaneous	-	4,742
	<u>-</u>	<u>438,357</u>
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Surplus for the year	<u>-</u>	<u>676,068</u>
	=====	=====

10. WORLD HEALTH DAY 2016

	<u>2017</u> HK\$	<u>2016</u> HK\$
Revenue		
Donations	-	11,000
	-----	-----
Less:		
Expenditure		
Production fees	-	34,420
Insurance	-	1,000
Office supplies	-	136
Souvenirs	-	2,710
Postage	-	165
Printing	-	1,309
Travelling and transportation	-	2,564
Miscellaneous	-	1,444
	<u>-</u>	<u>43,748</u>
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Deficit for the year	<u>-</u>	<u>(32,748)</u>
	=====	=====

THE HONG KONG ACADEMY OF NURSING LIMITED
 (incorporated in Hong Kong with limited liability by guarantee)

NOTES ON THE FINANCIAL STATEMENTS

11. HEALTH CARNIVAL 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
Revenue		
Sponsorship	45,000	-
	-----	-----
Less:		
Expenditure		
Production fees	50,072	-
Insurance	1,500	-
Souvenirs	1,700	-
Printing	1,418	-
Travelling and transportation	4,550	-
Miscellaneous	783	-
	<u>60,023</u>	<u>-</u>
	-----	-----
Deficit for the year	<u>(15,023)</u>	<u>-</u>

12. CHARITY CHINESE OPERA 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
Revenue		
Donations	814,519	-
	-----	-----
Less:		
Expenditure		
Production fees	299,279	-
Souvenirs	1,002	-
Postage	132	-
Travelling and transportation	350	-
Miscellaneous	5,996	-
	<u>306,759</u>	<u>-</u>
	-----	-----
Surplus for the year	<u>507,760</u>	<u>-</u>

THE HONG KONG ACADEMY OF NURSING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

13. AUDITORS' REMUNERATION

No fee was charged by the Honorary Auditors for the years ended 31st December, 2017 and 2016.

14. INCOME TAX INCOME

Income tax income in the statement of comprehensive income represents:

	<u>2017</u> HK\$	<u>2016</u> HK\$
Hong Kong profits tax overprovided in previous years	-	20,000

No provision for Hong Kong profits tax has been made for the years ended 31st December, 2017 and 2016 as the Academy is exempted from all taxes pursuant to section 88 of the Inland Revenue Ordinance with effect from 8th January, 2015.

15. COUNCIL MEMBERS' EMOLUMENTS

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>2017</u> HK\$	<u>2016</u> HK\$
Fees	Nil	Nil
Salaries and allowances	Nil	Nil

THE HONG KONG ACADEMY OF NURSING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

16. PLANT AND EQUIPMENT

	<u>Office equipment</u> HK\$	<u>Leasehold improvements</u> HK\$	<u>Total</u> HK\$
Cost			
At 1 st January, 2016	151,267	579,339	730,606
Additions	<u>2,380</u>	<u>25,800</u>	<u>28,180</u>
At 31 st December, 2016 and 1 st January, 2017	153,647	605,139	758,786
Additions	<u>10,951</u>	<u>-</u>	<u>10,951</u>
At 31 st December, 2017	<u>164,598</u>	<u>605,139</u>	<u>769,737</u>
	-----	-----	-----
Accumulated depreciation			
At 1 st January, 2016	111,975	549,605	661,580
Charge for the year	<u>27,612</u>	<u>36,874</u>	<u>64,486</u>
At 31 st December, 2016 and 1 st January, 2017	139,587	586,479	726,066
Charge for the year	<u>14,699</u>	<u>8,340</u>	<u>23,039</u>
At 31 st December, 2017	<u>154,286</u>	<u>594,819</u>	<u>749,105</u>
	-----	-----	-----
Net book value			
At 31 st December, 2017	<u>10,312</u>	<u>10,320</u>	<u>20,632</u>
At 31 st December, 2016	<u>14,060</u>	<u>18,660</u>	<u>32,720</u>

THE HONG KONG ACADEMY OF NURSING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

17. INVENTORIES

	<u>2017</u> HK\$	<u>2016</u> HK\$
Badges stated at cost	8,260	8,260

18. ACCOUNTS RECEIVABLE

	<u>2017</u> HK\$	<u>2016</u> HK\$
Members' subscriptions receivables	44,400	35,160
Sponsorship receivable	5,500	20,000
Other receivables	<u>3,551</u>	<u>568,683</u>
	<u>53,451</u>	<u>623,843</u>

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

	<u>2017</u> HK\$	<u>2016</u> HK\$
Neither past due nor impaired	<u>49,900</u>	<u>55,160</u>

Receivables that were neither past due nor impaired relate to the members and sponsors 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.

19. DEPOSITS AND PREPAYMENTS

	<u>2017</u> HK\$	<u>2016</u> HK\$
Deposits	129,250	129,350
Prepayments	<u>29,330</u>	<u>5,530</u>
	<u>158,580</u>	<u>134,880</u>

The amount of the Academy's deposits and prepayments expected to be recovered after more than one year is HK\$250 (2016: HK\$350).

THE HONG KONG ACADEMY OF NURSING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

20. 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>2017</u> HK\$	<u>2016</u> HK\$
Within one year	122,720	368,160
In the second to fifth years, inclusive	-	122,720
	<u>122,720</u>	<u>490,880</u>

21. RELATED PARTY TRANSACTIONS

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

	<u>2017</u> HK\$	<u>2016</u> HK\$
Sponsorship for International Nurses Day Celebration 2017/2016 received from institutional members	8,400	7,000
Donation received from council members	15,655	2,250
Donation received from institutional members	9,750	-
Donations for Charity Nourishing Feast 2016 received from:		
Institutional members	-	155,440
Council members	-	79,440
Donations for Charity Chinese Opera 2017 received from:		
Institutional members	38,600	-
Council members	60,000	-
Sale of badges to an institutional member	-	1,000
Sale of badges to a council member	-	100
Sale of International Nurses Day Celebration 2017/2016 tickets to:		
Institutional members	76,500	76,950
Council members	1,350	1,350
Secretarial services income received from institutional members	11,000	108,000
Course fee income received from institutional members	36,580	21,000
Rental income from institutional members	3,500	2,500
	<u>122,720</u>	<u>490,880</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 31st December, 2017 and 2016.

THE HONG KONG ACADEMY OF NURSING LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

22. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and new interpretations which are not yet effective for the year ended 31st December, 2017 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, new standards and new interpretations 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.

THE HONG KONG ACADEMY OF NURSING LIMITED
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
REVENUE		
Membership and subscription fees	1,822,940	1,905,080
Donations	48,735	48,750
Sponsorship income	12,000	-
Bank interest income	42	35
Course fee income	50,720	21,000
Income from sale of badges	-	1,100
Income from International Nurses Day Celebration 2017/2016	716,630	900,580
Income from Charity Nourishing Feast 2016	-	1,114,425
Income from Charity Chinese Opera 2017	814,519	-
Income from World Health Day 2016	-	11,000
Income from Health Carnival 2017	45,000	-
Income from 9 th International Council of Nurses/ International Nurse Practitioner/Advanced Practice Nursing Network	-	428,313
Rental income	3,500	2,500
Sundry income	11,000	108,620
Exchange gain	346	-
	3,525,432	4,541,403
Less:		
EXPENDITURE (SCHEDULE)	<u>(2,836,949)</u>	<u>(3,120,862)</u>
SURPLUS FOR THE YEAR	<u>688,483</u>	<u>1,420,541</u>

THE HONG KONG ACADEMY OF NURSING LIMITED

**SCHEDULE OF DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2017**

SCHEDULE	<u>2017</u> HK\$	<u>2016</u> HK\$
Advertising	880	-
Conferment ceremony	62,745	70,755
Cost of badges	-	1,100
Cleaning expenses	13,145	9,425
Expenditure for International Nurses Day Celebration 2017/2016	797,052	845,588
Expenditure for Charity Chinese Opera 2017	306,759	-
Expenditure for Charity Nourishing Feast 2016	-	438,357
Expenditure for World Health Day 2016	-	43,748
Expenditure for Health Carnival 2017	60,023	-
Expenditure for Nurses Initiatives on Tobacco Control Project	-	4,500
Expenditure for Community Project Activities	20,458	-
Expenditure for Professional Development Activities	54,200	-
Insurance	5,389	5,310
Salaries	959,878	1,025,424
Contribution to Mandatory Provident Fund	39,409	44,745
Bank charges	210	200
Sponsorship	600	600
Repairs and maintenance	5,141	4,700
Telephone	14,198	12,316
Travelling and transportation	3,078	2,873
Printing	13,837	24,708
Postage	4,948	7,853
Meeting expenses	1,269	1,346
Legal and professional fees	6,300	6,200
Office rent and rates	381,018	380,880
Depreciation	23,039	64,486
Office supplies	11,954	9,143
Miscellaneous	4,928	4,155
Membership card expenses	28,906	31,593
Annual dinner	-	47,133
Souvenirs	-	20,173
Internet expenses	1,200	5,200
Meal expenses	-	434
Uniform	-	930
Workshop expenses	16,385	6,987
	<u>2,836,949</u>	<u>3,120,862</u>