

RAPHA FOUNDATION LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015



W. M. LAU & COMPANY
Certified Public Accountants
劉偉明會計師事務所

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(EXPRESSED IN HONG KONG DOLLAR)

RAPHA FOUNDATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEES
FOR THE YEAR ENDED JUNE 30, 2015

The management committees have pleasure in submitting their report together with the audited financial statements for the year ended June 30, 2015.

PRINCIPAL ACTIVITIES

Its principal activities are to provide the financial assistance to those who need but unable to afford professional counseling, to work closely with churches to equip them to provide a healing ministry for those who are wounded psychologically for the benefit of the public, and to practise a healing concept that is integrated with Christian faith for the benefit of the public. There were no significant changes in the nature of the Charity's principal activities during the year.

RESULTS

The results of the Charity for the year ended June 30, 2015 and the state of affairs of the Charity as that date are set out in the financial statements on pages 5 to 18.

CHARITABLE CONTRIBUTIONS

During the year, the Charity made HK\$500 charitable contributions (2014: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Charity's property, plant and equipment during the year are set out in note 9 to the financial statements.

MANAGEMENT COMMITTEES

The following persons were management committees of the Charity during the year and up to date of the report:

Kot Lam Kat Katherine
Tsang Po Yee

MANAGEMENT COMMITTEES' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE CHARITY'S BUSINESS

There were no contracts of significance in relation to the business of the Charity to which the Charity was a party, and in which a management committee of the Charity had a material interest, whether directly or indirectly, subsisted at the end of the year, or at any time during the year.

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RAPHA FOUNDATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEES

FOR THE YEAR ENDED JUNE 30, 2015

MANAGEMENT COMMITTEES' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Charity, a party to any arrangement to enable the management committees of the Charity (including their spouse and children under 18 year of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Charity or its specified undertaking or other associated corporation.

BUSINESS REVIEW

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

PERMITTED INDEMNITY PROVISION

At no time during the year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the management committees of the Charity (whether made by the Charity or otherwise) or an associated company (if made by the Charity).


MANAGEMENT CONTRACTS

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

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint W. M. Lau & Company, Certified Public Accountants.

FOR AND ON BEHALF OF THE BOARD



Kot Lam Kat Katherine
CHAIRMAN

Hong Kong

Date: March 8, 2017



W. M. LAU & COMPANY 劉偉明會計師事務所

Certified Public Accountants

Unit 201, 2/F., Malaysia Building, 50 Gloucester Road, Hong Kong 香港灣仔告士打道50號馬來西亞大廈2樓201室
Tel 電話: (852) 2527 5497 Fax 傳真: (852) 2866 7997 E-mail 電郵: info@twhchiucpa.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

RAPHA FOUNDATION LIMITED

(Incorporated in Hong Kong with liability limited by guarantee)

We have audited the financial statement of Rapha Foundation Limited ("the Charity") set out on pages 5 to 18, which comprise the statement of financial position as at June 30, 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management committees' responsibility for the financial statements

The management committees are responsible for the preparation of the 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 for such internal control as the management committees determine is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 the report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management committees, as well as evaluating the overall presentation of the financial statements.

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W. M. LAU & COMPANY 劉偉明會計師事務所

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

RAPHA FOUNDATION LIMITED

(Incorporated in Hong Kong with liability limited by guarantee)

Auditors' responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Charity as at June 30, 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.

W. M. Lau & Company
Certified Public Accountants (Practising)

Hong Kong
Date: March 8, 2017

RAPHA FOUNDATION LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2015

	<i>Notes</i>	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Income			
Donation received	5	30,469	93,827
Training course fee received	5	642,835	922,125
Training course and event expenses		(84,329)	(11,717)
Training course subsidy		--	(80,866)
		<u>558,506</u>	<u>829,542</u>
Camp fee received	5	324,046	390,850
Camp expenses		(138,226)	(194,526)
Camp fee subsidy		(11,500)	(3,020)
		<u>174,320</u>	<u>193,304</u>
Sales of books, CDs and DVDs	5	262,083	305,874
Cost of sales	6	(82,821)	(133,891)
		<u>179,262</u>	<u>171,983</u>
Concert income	5	--	1,511,415
Concert expenses		--	(1,084,623)
		<u>--</u>	<u>426,792</u>
Bank interest income	6	249	138
Exchange difference		--	1,995
Other income		24,992	29,930
Mother's day income		--	6,030
Mother's day expense		--	(16,000)
		<u>25,241</u>	<u>22,093</u>
Less: Expenditure			
Auditors' remuneration	6	5,900	5,700
Bank charge		3,010	7,381
Bank loan interest	6	43	10,670
Building management fee		21,352	17,820
Cleaning		2,187	2,186
Computer products		7,803	2,560
Depreciation	6	87,440	101,024
Donation		500	--
Government rent and rates		4,912	1,763
Insurance		5,933	1,680
Local traveling		13,491	600
Printing and stationery		10,062	31,939
Postage and courier		2,539	10,826
Provident fund contributions	7	57,501	46,088
Professional fee		4,500	8,700
Repair and maintenance		800	7,225
Staff costs	6, 7	713,058	583,755
Staff welfare & messing		2,725	1,280
Sundry expenses		7,208	1,547
Telephone		5,096	4,925
Utility		17,211	10,026
		<u>973,271</u>	<u>857,695</u>
(Deficit)/surplus for the year	6	<u>(5,473)</u>	<u>879,846</u>

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RAPHA FOUNDATION LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2015

	<i>Notes</i>	2015 HK\$	2014 HK\$
<u>Books translation and printing fund</u>			
Donation received	5	<u>21,839</u>	<u>23,038</u>
<u>Professional counseling subsidy fund</u>			
Donation received	5	<u>1,600</u>	<u>23,870</u>
Expenditure		<u>(100)</u>	<u>(4,700)</u>
		<u>1,500</u>	<u>19,170</u>
<u>Exchange subsidy fund</u>			
Donation received	5	<u>35,174</u>	<u>87,560</u>
Expenditure		<u>(48,183)</u>	<u>(86,473)</u>
		<u>(13,009)</u>	<u>1,087</u>
<u>Development fund</u>			
Donation received	5	<u>161,721</u>	<u>83,654</u>
<u>Course subsidy fund</u>			
Donation received	5	<u>--</u>	<u>660</u>
Expenditure		<u>--</u>	<u>--</u>
		<u>--</u>	<u>660</u>
<u>Office building fund</u>			
Donation received	5	<u>--</u>	<u>88,570</u>
Expenditure		<u>--</u>	<u>--</u>
		<u>--</u>	<u>88,570</u>
<u>China ministry fund</u>			
Donation received	5	<u>6,613</u>	<u>16,165</u>
Expenditure		<u>--</u>	<u>--</u>
		<u>6,613</u>	<u>16,165</u>
<u>Overseas ministry fund</u>			
Donation received	5	<u>--</u>	<u>15,000</u>
Overseas ministry tours income	5	<u>127,392</u>	<u>422,760</u>
Expenditure		<u>(62,415)</u>	<u>(430,385)</u>
		<u>64,977</u>	<u>7,375</u>
Total comprehensive income for the year		<u>238,168</u>	<u>1,119,565</u>

The notes on pages 10 to 18 form part of these financial statements.

RAPHA FOUNDATION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2015

	Books translation and printing fund <i>HK\$</i>	Professional counseling subsidy fund <i>HK\$</i>	Exchange subsidy fund <i>HK\$</i>	Development fund <i>HK\$</i>	Course subsidy fund <i>HK\$</i>	Office building fund <i>HK\$</i>	China ministry fund <i>HK\$</i>	Overseas ministry fund <i>HK\$</i>	Accumulated (deficit) /surplus <i>HK\$</i>	Total <i>HK\$</i>
At July 1, 2013	181,959	234,618	43,279	313,683	127,520	2,325,256	344,458	375,688	(78,093)	3,868,368
Surplus and total comprehensive income for the year	<u>23,038</u>	<u>19,170</u>	<u>1,087</u>	<u>83,654</u>	<u>660</u>	<u>88,570</u>	<u>16,165</u>	<u>7,375</u>	<u>879,846</u>	<u>1,119,565</u>
At June 30, 2014	204,997	253,788	44,366	397,337	128,180	2,413,826	360,623	383,063	801,753	4,987,933
Surplus/(deficit) and total comprehensive income for the year	<u>21,839</u>	<u>1,500</u>	<u>(13,009)</u>	<u>161,721</u>	<u>--</u>	<u>--</u>	<u>6,613</u>	<u>64,977</u>	<u>(5,473)</u>	<u>238,168</u>
At June 30, 2015	<u><u>226,836</u></u>	<u><u>255,288</u></u>	<u><u>31,357</u></u>	<u><u>559,058</u></u>	<u><u>128,180</u></u>	<u><u>2,413,826</u></u>	<u><u>367,236</u></u>	<u><u>448,040</u></u>	<u><u>796,280</u></u>	<u><u>5,226,101</u></u>

The notes on pages 10 to 18 form part of these financial statements.

RAPHA FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION


AS AT JUNE 30, 2015

	<i>Notes</i>	2015 HK\$	2014 HK\$
Non current assets			
Property, plant and equipment	9	3,426,238	3,507,728
Current assets			
Inventories		93,973	61,025
Deposits		--	11,500
Accounts receivable	10	35,667	49,433
Cash and bank balances		1,946,855	1,499,336
		2,076,495	1,621,294
Current liabilities			
Accounts payable		88,678	29,023
Accruals		63,612	6,050
Amount due to a director	11	124,342	26,016
Other loan	12	--	80,000
		276,632	141,089
Net current assets		1,799,863	1,480,205
Net assets		5,226,101	4,987,933
Reserves			
Accumulated surplus/(deficit)		796,280	801,753
Books translation and printing fund		226,836	204,997
Professional counseling subsidy fund		255,288	253,788
Exchange subsidy fund		31,357	44,366
Development fund		559,058	397,337
Course subsidy fund		128,180	128,180
Office building fund		2,413,826	2,413,826
China ministry fund		367,236	360,623
Overseas ministry fund		448,040	383,063
		5,226,101	4,987,933

Approved and authorised for issue by the Management Committee on March 8, 2017.



 Kot Lam Kat Katherine
 MANAGEMENT COMMITTEE



 Tsang Po Yee
 MANAGEMENT COMMITTEE

The notes on pages 10 to 18 form part of these financial statements.

RAPHA FOUNDATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

	<i>Notes</i>	2015 HK\$	2014 <i>HK\$</i>
Cash flows from operating activities			
Total comprehensive income for the year		238,168	1,119,565
Adjustments for:			
- Depreciation	<i>6</i>	87,440	101,024
- Bank loan interest	<i>6</i>	43	10,670
- Bank interest income	<i>6</i>	(249)	(138)
Operating surplus before working capital change		325,402	1,231,121
(Increase)/decrease in inventories		(32,949)	63,246
Decrease/(increase) in deposits		11,500	(11,500)
Decrease/(increase) in accounts receivable		13,766	(33,462)
Increase/(decrease) in accounts payable		59,655	(31,701)
Increase/(decrease) in accruals		57,563	(877)
Increase in amount due to director		98,326	26,016
Net cash generated from operating activities		533,263	1,242,843
Cash flows from financing activities			
Bank loan interest paid		(43)	(10,670)
Decrease in bank loan		--	(756,779)
Decrease in other loan		(80,000)	(20,000)
Net cash used in financing activities		(80,043)	(787,449)
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,950)	(8,374)
Interest received		249	138
Net cash used in investing activities		(5,701)	(8,236)
Net increase in cash and cash equivalents		447,519	447,158
Cash and cash equivalents at beginning of the year		1,499,336	1,052,178
Cash and cash equivalents at end of the year		1,946,855	1,499,336
Analysis of cash and cash equivalents			
Cash and bank balances		1,946,855	1,499,336

The notes on pages 10 to 18 form part of these financial statements.

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

1. GENERAL INFORMATION

Rapha Foundation Limited is incorporated in Hong Kong under the Hong Kong Companies Ordinance on March 5, 2007 as a charity limited by guarantee. The address of its registered office and principal place of business is Room A, 7/F, Shun Pont Commercial Building, 5-11 Thomson Road, Wanchai, Hong Kong. Its principal activities are to provide the financial assistance to those who need but unable to afford professional counseling, to work closely with churches to equip them to provide a healing ministry for those who are wounded psychologically for the benefit of the public, and to practise a healing concept that is integrated with Christian faith for the benefit of the public.

2. STATEMENT OF COMPLIANCE WITH HONG KONG FINANCIAL REPORTING STANDARDS

The Charity's financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong. A summary of the significant accounting policies adopted by the Charity is set out in note 3.

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period of the Charity. Of these, the following developments are relevant to the financial statements:

- Annual Improvements to HKFRSs 2010-2012 Cycle
- Annual Improvements to HKFRSs 2011-2013 Cycle

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Charity's related party disclosures as the Charity does not obtain key management personnel services from management entities.

The Charity has not applied any new standard or interpretation that is not yet effective for the current accounting year.

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statement

The measurement basis used in preparing the financial statements is historical cost convention.

Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:

Leasehold land and building	50 years or the unexpired term of lease, if any and shorter
Leasehold improvement	5 years
Furniture and fixtures	5 years
Office equipment	5 years

The residual value and the useful life of an asset are reviewed at least at each financial year-end.

The Charity assesses at each reporting date whether there is any indication that any items of property, plant and equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the Charity estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount or a reversal of impairment loss is recognised immediately in statement of profit or loss.

Gain or loss arising from the de-recognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Impairment loss

At each reporting date, the Charity reviews carrying amount of tangible assets to determine whether the carrying amounts of its tangible asset have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its net selling price and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Charity estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment loss (continued)

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment losses is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Charity's cash management are included as a component of cash and cash equivalents.

Accounts payable

Accounts payable are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Charity has legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the same value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any discounts and rebates allowed by the Charity. Provided that it is probable that the economic benefits associated with the revenue transaction will flow to the Charity and the revenue and the costs, if any, in respect of the transaction can be measured reliably, revenue is recognised as follows:

Donation income is recognised on the cash basis.

Course fee income is recognised upon the completion of the courses for the attendants.

Revenue from the sales of books is recognised when the Charity has delivered the books to the customers and the customer has accepted the books together with the risks and rewards of ownership of the books.

Bank interest income is accrued on a time proportion basis on the principal outstanding and at the interest rate applicable.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The Charity's management makes assumptions, estimates and judgments in the process of applying the account's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgments are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgments, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

Key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out as follows:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Charity assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will impact the depreciation charges in the year in which the estimates change.

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

Impairment of property, plant and equipment

Items of property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value-in-use calculation requires the Charity to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

5. TURNOVER

The turnover of the Charity for the year represents the donation and sales income received. The amount of each significant category of revenue recognised during the year is as follows:

	2015 HK\$	2014 HK\$
Turnover		
Donation received	257,416	432,344
Training course fee received	642,835	922,125
Camp fee received	324,046	390,850
Sales income	262,083	305,874
Concert income	--	1,511,415
Overseas ministry tours income	127,392	422,760
	<u>1,613,772</u>	<u>3,985,368</u>

6. (DEFICIT)/SURPLUS FOR THE YEAR

	2015 HK\$	2014 HK\$
Surplus for the year is stated at after charging:		
Auditors' remuneration	5,900	5,700
Cost of sales	82,821	96,316
Depreciation	87,440	101,024
Staff costs	713,058	583,755
Bank loan interest	43	10,670
	<u>899,262</u>	<u>897,465</u>
And after crediting:		
Bank interest income	249	138
	<u>249</u>	<u>138</u>

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

7. STAFF COSTS AND MANAGEMENT COMMITTEES' REMUNERATION

	2015 HK\$	2014 HK\$
Salaries and allowances	713,058	583,755
Provident fund contributions	<u>57,501</u>	<u>46,088</u>
	<u><u>770,559</u></u>	<u><u>629,843</u></u>

MANAGEMENT COMMITTEES' REMUNERATION

None of the management committees received any remuneration in respect of their services rendered for the year (2014: Nil).

8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Charity is exempted from Hong Kong profits tax under Section 88 of the Inland Revenue Ordinance (2014: Nil).

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$	Leasehold improvement HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
Cost					
At July 1, 2013	3,879,630	52,720	2,805	66,948	4,002,103
Additions	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,374</u>	<u>8,374</u>
At June 30, 2014	<u>3,879,630</u>	<u>52,720</u>	<u>2,805</u>	<u>75,322</u>	<u>4,010,477</u>
Aggregate depreciation					
At July 1, 2013	310,371	42,176	2,244	46,934	401,725
Charge for the year	<u>77,592</u>	<u>10,544</u>	<u>561</u>	<u>12,327</u>	<u>101,024</u>
At June 30, 2014	<u>387,963</u>	<u>52,720</u>	<u>2,805</u>	<u>59,261</u>	<u>502,749</u>
Carrying amount					
At June 30, 2014	<u><u>3,491,667</u></u>	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>16,061</u></u>	<u><u>3,507,728</u></u>

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings <i>HK\$</i>	Leasehold improvement <i>HK\$</i>	Furniture and fixtures <i>HK\$</i>	Office equipment <i>HK\$</i>	Total <i>HK\$</i>
Cost					
At July 1, 2014	3,879,630	52,720	2,805	75,322	4,010,477
Additions	--	--	--	5,950	5,950
At June 30, 2015	3,879,630	52,720	2,805	81,272	4,016,427
Aggregate depreciation					
At July 1, 2014	387,963	52,720	2,805	59,261	502,749
Charge for the year	77,592	--	--	9,848	87,440
At June 30, 2015	465,555	52,720	2,805	69,109	590,189
Carrying amount					
At June 30, 2015	3,414,075	--	--	12,163	3,426,238

The Charity's land and buildings are situated in Hong Kong and are held under long-term lease.

10. ACCOUNTS RECEIVABLE

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Accounts receivable	35,667	49,433

At June 30, the aging analysis of accounts receivable that are neither individually nor collectively considered to be impaired is as follows:

	2015 <i>HK\$</i>	2014 <i>HK\$</i>
Neither past due nor impaired	--	33,462
Past due but not impaired:		
Less than 30 days	--	--
31 – 60 days	--	--
61 – 90 days	--	--
Over 90 days	35,667	15,971
At June 30	35,667	49,433

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

11. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest free and repayable on demand.

12. OTHER LOAN

The other loan is unsecured, interest free and repayable on demand.

13. FINANCIAL RISK MANAGEMENT

The Charity is exposed to various kinds of risks in its operation and financial instruments. The Charity's risk management objectives and policies mainly focus on minimizing the potential adverse effects of these risks on the charity by closely monitoring the individual exposure as follows:

Market risk and currency risk

The Charity seldom involves in purchasing and selling of foreign currencies. The exposure currency risk is considered not significant.

Liquidity risk

The Charity manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

The table below summaries the maturity profile of the Charity's financial liabilities at June 30 based on contractual undiscounted payments including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date.

As at June 30, 2015	On demand HK\$	Less than 3 months HK\$	3 to 12 months HK\$	1 to 5 years HK\$	Over 5 years HK\$	Total HK\$
Accounts payable	88,678	--	--	--	--	88,678
Accruals	63,612	--	--	--	--	63,612
Amount due to a director	124,342	--	--	--	--	124,342
	276,632	--	--	--	--	276,632

RAPHA FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

13. FINANCIAL RISK MANAGEMENT(CONTINUED)

As at June 30, 2014	On demand HK\$	Less than 3 months HK\$	3 to 12 months HK\$	1 to 5 years HK\$	Over 5 years HK\$	Total HK\$
Accounts payable	29,023	--	--	--	--	29,023
Accruals	6,050	--	--	--	--	6,050
Amount due to a director	26,016	--	--	--	--	26,016
Other loan	80,000	--	--	--	--	80,000
	<u>141,089</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>141,089</u>

Cash flow interest rate risk

The Charity's exposure on cash flow interest rate risk mainly arises from its deposits with banks and cash and cash equivalents and the exposure of which is considered not significant.

Fair value

The carrying amounts of the Charity's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

14. FINANCIAL INSTRUMENTS CATEGORIES

	2015 HK\$	2014 HK\$
Financial assets:		
Deposits	--	11,500
Accounts receivable	35,667	49,433
Cash and bank balances	<u>1,946,855</u>	<u>1,499,336</u>
Loans and receivables (including cash and cash equipments)	<u>1,982,522</u>	<u>1,560,269</u>
Financial liabilities:		
Accounts payable	88,678	29,023
Accruals	63,612	6,050
Amount due to a director	124,342	26,016
Other loan	<u>--</u>	<u>80,000</u>
Financial liabilities at amortised cost	<u>276,632</u>	<u>141,089</u>