

世界傳道會/那打素基金
CWM/Nethersole Fund

財政報告

**Audited Financial Statements
(2015-2017)**

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2016

F. S. Li & Co.

李福樹會計師事務所

CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF

THE COUNCIL FOR WORLD MISSION/ ALICE HO MIU LING NETHERSOLE HOSPITAL FUND

We have audited the consolidated financial statements of the Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund [the "Fund"] and its subsidiary (together, the "Group") set out on pages 2 to 13, which comprise the consolidated and Fund statement of financial position as at 31st March 2016, and the consolidated and Fund statement of income and accumulated fund, income fund and general fund, and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' responsibility for the consolidated financial statements

The Trustees of the Fund are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. This report is made solely to you, and for no other purpose. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 Trustees, as well as evaluating the overall presentation of the consolidated financial statements.

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 consolidated financial statements give a true and fair view of the financial position of the Fund and of the Group as at 31st March 2016 and of the financial performance of the Fund and of the Group and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities.



F.S. Li & Co.
Certified Public Accountants

Hong Kong, 22nd July 2016.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

**CONSOLIDATED STATEMENT OF
INCOME AND ACCUMULATED FUND, INCOME FUND AND GENERAL FUND**

FOR THE YEAR ENDED 31ST MARCH 2016

	<u>2016</u> HK\$	<u>2015</u> HK\$
INCOME		
Gross rental income	966,329	1,140,984
Dividend income on listed investments	8,412,054	10,812,834
Interest income		
Bonds	2,082,692	3,254,578
Banks and investment agents	68,442	265,964
	<u>11,529,517</u>	<u>15,474,360</u>
Increase in fair value of investment properties	200,000	200,000
(Loss)/Gain on disposal of financial assets at fair value through profit or loss	(7,401,051)	24,987,071
(Loss)/Gain on change in fair value of financial assets at fair value through profit or loss	(46,975,322)	39,016,493
(Loss)/Gain on foreign exchange	(221,536)	40,731
	<u>(42,868,392)</u>	<u>79,718,655</u>
INVESTMENT RELATED EXPENSES	<u>(1,726,672)</u>	<u>(1,694,709)</u>
ADMINISTRATION EXPENSES	<u>(2,416,403)</u>	<u>(2,064,881)</u>
(DEFICIT)/SURPLUS BEFORE DONATIONS	<u>(47,011,467)</u>	<u>75,959,065</u>
DONATIONS	<u>(17,441,333)</u>	<u>(17,820,074)</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u>(64,452,800)</u>	<u>58,138,991</u>
ACCUMULATED FUND, INCOME FUND AND GENERAL FUND BROUGHT FORWARD	<u>633,624,870</u>	<u>575,485,879</u>
ACCUMULATED FUND, INCOME FUND AND GENERAL FUND CARRIED FORWARD	<u><u>569,172,070</u></u>	<u><u>633,624,870</u></u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2016

	<u>Note</u>	HK\$	<u>2016</u> HK\$	<u>2015</u> HK\$
NON-CURRENT ASSETS				
Investment properties	5		43,000,000	<u>42,800,000</u>
CURRENT ASSETS				
Financial assets at fair value through profit or loss	7	492,111,485		606,437,886
Accounts receivable and deposits	8	3,266,526		1,638,567
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		-		146,364
Time deposits		-		4,136,602
Bank and cash balances and deposits with investment agents		<u>33,874,823</u>		<u>7,464,329</u>
		<u>529,252,834</u>		<u>619,823,748</u>
Less: CURRENT LIABILITIES				
Accounts payable and accruals	9	2,958,198		28,998,878
Amount due to Alice Ho Miu Ling Nethersole Charity Foundation		<u>122,566</u>		<u>-</u>
		<u>3,080,764</u>		<u>28,998,878</u>
NET CURRENT ASSETS			<u>526,172,070</u>	<u>590,824,870</u>
NET ASSETS			<u>569,172,070</u>	<u>633,624,870</u>
<i>representing:</i>				
RESERVES				
Accumulation Fund, Income Fund and General Fund	10		<u>569,172,070</u>	<u>633,624,870</u>

These financial statements on pages 2 to 13 were approved
and authorised for issue by the Trustees on 22nd July 2016.



Trustee



Trustee

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

STATEMENT OF INCOME AND ACCUMULATED FUND, INCOME FUND AND GENERAL FUND

FOR THE YEAR ENDED 31ST MARCH 2016

	<u>2016</u> HK\$	<u>2015</u> HK\$
INCOME		
Gross rental income	966,329	1,140,984
Dividend income on listed investments	8,412,054	10,812,834
Interest income		
Bonds	2,082,692	3,254,578
Banks and investment agents	68,442	265,964
	<u>11,529,517</u>	<u>15,474,360</u>
Increase in fair value of investment properties	200,000	200,000
(Loss)/Gain on disposal of financial assets at fair value through profit or loss	(7,401,051)	24,987,071
(Loss)/Gain on change in fair value of financial assets at fair value through profit or loss	(46,975,322)	39,016,493
(Loss)/Gain on foreign exchange	(221,536)	40,731
	<u>(42,868,392)</u>	<u>79,718,655</u>
INVESTMENT RELATED EXPENSES	<u>(1,726,672)</u>	<u>(1,694,709)</u>
ADMINISTRATION EXPENSES	<u>(2,416,403)</u>	<u>(2,064,881)</u>
(DEFICIT)/SURPLUS BEFORE DONATIONS	<u>(47,011,467)</u>	<u>75,959,065</u>
DONATIONS	<u>(17,441,333)</u>	<u>(17,820,074)</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u>(64,452,800)</u>	<u>58,138,991</u>
ACCUMULATED FUND, INCOME FUND AND GENERAL FUND BROUGHT FORWARD	<u>633,650,613</u>	<u>575,511,622</u>
ACCUMULATED FUND, INCOME FUND AND GENERAL FUND CARRIED FORWARD	<u><u>569,197,813</u></u>	<u><u>633,650,613</u></u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2016

	<u>Note</u>	HK\$	<u>2016</u> HK\$	<u>2015</u> HK\$
NON-CURRENT ASSETS				
Investment properties	5		43,000,000	42,800,000
Subsidiary company	6		<u>10</u>	<u>10</u>
			43,000,010	<u>42,800,010</u>
CURRENT ASSETS				
Financial assets at fair value through profit or loss	7	492,111,485		606,437,886
Accounts receivable and deposits	8	3,749,238		1,997,838
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		-		146,364
Time deposits		-		4,136,602
Bank and cash balances and deposits with investment agents		<u>33,417,844</u>		<u>7,130,791</u>
		<u>529,278,567</u>		<u>619,849,481</u>
Less: CURRENT LIABILITIES				
Accounts payable and accruals	9	2,958,198		28,998,878
Amount due to Alice Ho Miu Ling Nethersole Charity Foundation		<u>122,566</u>		<u>-</u>
		<u>3,080,764</u>		<u>28,998,878</u>
NET CURRENT ASSETS			<u>526,197,803</u>	<u>590,850,603</u>
NET ASSETS			<u>569,197,813</u>	<u>633,650,613</u>
<i>representing:</i>				
RESERVES				
Accumulation Fund, Income Fund and General Fund	10		<u>569,197,813</u>	<u>633,650,613</u>

These financial statements on pages 2 to 13 were approved
and authorised for issue by the Trustees on 22nd July 2016.



Trustee



Trustee

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016

	<u>2016</u> HK\$	<u>2015</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(64,452,800)	58,138,991
Adjustments for:		
Increase in fair value of investment properties	<u>(200,000)</u>	<u>(200,000)</u>
Operating (deficit)/surplus before working capital changes	(64,652,800)	57,938,991
Decrease/(Increase) in financial assets at fair value through profit or loss	114,326,401	(96,895,175)
Increase in accounts receivable and deposits	(1,627,959)	(14,302)
Change in current account with Alice Ho Miu Ling Nethersole Charity Foundation	268,930	16,070
(Decrease)/Increase in accounts payable and accruals	<u>(26,040,680)</u>	<u>28,458,731</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	22,273,892	(10,495,685)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>11,600,931</u>	<u>22,096,616</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>33,874,823</u></u>	<u><u>11,600,931</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Time deposits	-	4,136,602
Bank and cash balances and deposits with investment agents	<u>33,874,823</u>	<u>7,464,329</u>
	<u><u>33,874,823</u></u>	<u><u>11,600,931</u></u>
Cash from operating activities included:		
Interest received	2,443,780	3,629,823
Dividend received	<u>8,624,046</u>	<u>10,682,999</u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

NOTES TO FINANCIAL STATEMENTS

1. General

The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund ("the Fund") was established on 19th September 1997 with an endowment of HK\$465,234,061 by agreement between the Council for World Mission and the Alice Ho Miu Ling Nethersole Charity Foundation (formerly known as The Executive Committee of The Alice Ho Miu Ling Nethersole Hospital). The Fund is governed by a Trust Deed dated 19th September 1997. The Fund is managed by the Trustees of the Fund.

The address of the registered office and principal place of operation of the Fund is Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories.

The principal activity of the Fund and its subsidiary during the year is to support projects which help implement the Fund's objectives of spreading the knowledge of Christ throughout Hong Kong and China.

2. Principal accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants.

The financial statements have been prepared under the historical cost convention except that investment properties and financial assets at fair value through profit or loss are stated at fair value.

(b) Consolidation

The group accounts include the accounts of the Fund and of its subsidiary (together, the "Group") made up to 31st March. Inter-company transactions and balances within the Group are eliminated on consolidation.

(c) Revenue recognition

- (i) Rental receivable from investment properties held for use in operating lease is accounted for, using a straight line basis, over the respective periods of the leases.
- (ii) Interest income is recognised as it accrues using the effective interest method.
- (iii) Dividend income is recognised when the shareholder's right to receive payment is established.
- (iv) Proceeds on disposal of financial assets at fair value through profit or loss are recognised on trade date basis.

2. Principal accounting policies (continued)

(d) Investment properties

Investment property is a property held by the Group/the Fund as an owner, or as a lessee under a finance lease, to earn rental or for capital appreciation or both, rather than for (i) use in the production or supply of goods or services or for administrative purposes, or (ii) sale in the ordinary course of business. It also includes a property interest held by a lessee under an operating lease which otherwise meets the definition of an investment property and can be measured at fair value without undue cost and effort on an ongoing basis.

Investment property is measured initially at its cost, including related transaction costs. At the end of each reporting period, investment property is carried at fair value. Fair value is based on existing use value. Changes in fair values are recognised in surplus or deficit.

(e) Subsidiary company

A company is a subsidiary company if it is controlled by the Group (such as holding more than 50% of the issued voting capital). Investment in subsidiary company is stated in the Fund's statement of financial position at cost less provision for any impairment losses. Control exists when the Fund has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Results of subsidiary company are accounted for, in the Fund's surplus or deficit only to the extent of any dividends received and receivable.

(f) Financial instruments

To account for financial instruments (financial assets and liabilities), the Group chooses to apply the recognition and measurement provision of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" of Hong Kong Financial Reporting Standards and the disclosure requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of HKFRSPE.

(g) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss are financial assets held for trading and is classified if:

- i) it has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) it is a derivative.

At the end of each reporting period subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognized directly in surplus or deficit in the period in which they arise. The net gain or loss recognized in surplus or deficit includes any dividend or interest earned on the financial assets.

2. Principal accounting policies (continued)

(h) Accounts receivable and deposits

Accounts receivable and deposits are initially recognised at fair value and thereafter stated at amortized cost less impairment losses for bad and doubtful debts, unless the effect of discounting would be immaterial, in which case they are stated at cost less impairment losses for bad and doubtful debts. A provision for impairment of receivables is made when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables.

(i) Amount due from/to Alice Ho Miu Ling Nethersole Charity Foundation

Amount due from/to Alice Ho Miu Ling Nethersole Charity Foundation, which has no fixed repayment term, is stated at cost less, if applicable, provision for impairment losses.

(j) Accounts payable and accruals

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

(k) Foreign currencies

The Group's/Fund's functional and presentation currency is Hong Kong dollars.

Transactions arising in foreign currencies during the year are converted at exchange rates approximating to those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at rates of exchange approximating to those ruling at that date. All exchange differences are dealt with in surplus or deficit.

(l) Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and deposits with banks and investment agents within 3 months to maturity from date of deposit.

3. Trustees' remuneration

None of the Trustees received any remuneration in respect of their services to the Fund during the year (2015 : Nil).

4. Taxation

The Fund is a charitable institution and is exempt from Hong Kong tax under Section 88 of the Inland Revenue Ordinance.

5. Investment properties

	Group/Fund	
	2016 HK\$	2015 HK\$
Fair value		
At beginning of year	42,800,000	42,600,000
Increase in fair value	200,000	200,000
At end of year	43,000,000	42,800,000

Investment properties are held under long lease in Hong Kong.

Investment properties are leased out under operating lease. The lease runs for a period of two years. The investment properties were revalued at 31st March 2015 and 2016 on an exit price basis by RHL Appraisal Limited, independent qualified professional valuers not connected with the Fund. The surplus arising on the revaluation was credited to surplus or deficit.

6. Subsidiary company - Fund

	2016 HK\$	2015 HK\$
Unlisted shares, at cost	10	10

Particulars of the subsidiary company are as follows:

<u>Name</u>	<u>Place of incorporation</u>	<u>Percentage of equity held</u>	<u>Business nature</u>
CWM/Nethersole Investment Company Limited	Hong Kong	100%	Acting as a trustee of the Fund

7. Financial assets at fair value through profit or loss

	Group/Fund	
	2016 HK\$	2015 HK\$
Listed equity securities, listed debt securities and fund investments, at market value	492,111,485	606,437,886

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

Notes to financial statements

8. Accounts receivable and deposits

	<u>Group</u>		<u>Fund</u>	
	<u>2016</u> HK\$	<u>2015</u> HK\$	<u>2016</u> HK\$	<u>2015</u> HK\$
Amount due from subsidiary company	-	-	482,712	359,271
Amount receivable for investment transactions	2,132,597	-	2,132,597	-
Other receivables, prepayments and utility deposits	1,133,929	1,638,567	1,133,929	1,638,567
	<u>3,266,526</u>	<u>1,638,567</u>	<u>3,749,238</u>	<u>1,997,838</u>

9. Accounts payable and accruals

	<u>Group/Fund</u>	
	<u>2016</u> HK\$	<u>2015</u> HK\$
Sundry payables and accruals	393,605	418,349
Amount payable for investment transactions	2,226,957	28,372,713
Rental deposit received	222,168	207,816
Receipt in advance	115,468	-
	<u>2,958,198</u>	<u>28,998,878</u>

10. Accumulation Fund, Income Fund and General Fund

Accumulation Fund represents all capital growth on Original Trust Fund, Income Fund represents all income earned, and General Fund represents all monies received by the Fund which are not part of the Accumulated Fund, Income Fund or Original Trust Fund.

11. Approval of funding for projects

During the year, the Board of Trustees had approved approximately HK\$17.6 million (2015 - HK\$17.8 million) funding to a total of 77 applications (2015 - 82 applications).

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

Notes to financial statements

12. Future minimum lease payments to be received

At 31st March 2016, the Group/Fund had future aggregate minimum lease payments to be received under non-cancellable operating leases in respect of investment properties as set out below:

	<u>2016</u> HK\$	<u>2015</u> HK\$
Not later than one year	1,227,096	570,492
In the second to fifth years inclusive	729,440	-
	<u>1,956,536</u>	<u>570,492</u>

13. Related party transactions

Except the transactions and balances detailed elsewhere in these financial statements, there were no related party transactions undertaken by the Group/Fund during the year.

14. Categories of financial assets and liabilities

	Group		Fund	
	<u>2016</u> HK\$	<u>2015</u> HK\$	<u>2016</u> HK\$	<u>2015</u> HK\$
<u>Financial assets</u>				
Current assets at fair value				
Financial assets at fair value through profit or loss	492,111,485	606,437,886	492,111,485	606,437,886
Current assets - at amortized cost:				
Accounts receivable and deposits (excluding prepayments)	3,266,526	1,638,567	3,749,238	1,997,838
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation	-	146,364	-	146,364
Time deposits	-	4,136,602	-	4,136,602
Bank and cash balances and deposits with investment agents	33,874,823	7,464,329	33,417,844	7,130,791
	<u>529,252,834</u>	<u>619,823,748</u>	<u>529,278,567</u>	<u>619,849,481</u>
<u>Financial liabilities</u>				
Current liabilities- at amortized cost:				
Accounts payable and accruals (excluding receipt in advance)	2,842,730	28,998,878	2,842,730	28,998,878
Amount due to Alice Ho Miu Ling Nethersole Charity Foundation	122,566	-	122,566	-
	<u>2,965,296</u>	<u>28,998,878</u>	<u>2,965,296</u>	<u>28,998,878</u>

15. Accounting estimates and judgements

The key sources of estimation, uncertainty and critical accounting judgements in applying the Group's accounting policies are described below.

Valuation of investment properties

As described in note 5 on the accounts, investment property is stated at fair value on the valuation performed by an independent professional valuer. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In replying on the valuation report, the management has exercised their judgement and satisfied that the method of valuation is reflective of the current market condition.

Valuation of financial assets at fair value through profit or loss

The fair value of financial assets at fair value through profit or loss is based on market prices quoted, for equivalent instruments at the end of reporting period, by the financial institutions which provide investment agency services to the Fund.

FOR MANAGEMENT INFORMATION PURPOSES ONLY

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2016

	HK\$	<u>2016</u> HK\$	<u>2015</u> HK\$
DIVIDEND INCOME			
- listed investments		8,412,054	10,812,834
INTEREST INCOME		2,151,134	3,520,542
(LOSS)/GAIN ON DISPOSAL OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(7,401,051)	24,987,071
(LOSS)/GAIN ON CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(46,975,322)</u>	<u>39,016,493</u>
		(43,813,185)	<u>78,336,940</u>
INVESTMENT RELATED EXPENSES			
Management fees	1,349,855		1,396,917
Securities custodian fees	<u>376,817</u>		<u>297,792</u>
		<u>1,726,672</u>	<u>1,694,709</u>
		(45,539,857)	76,642,231
Gross rental income		966,329	1,140,984
Increase in fair value of investment properties		200,000	200,000
(Loss)/Gain on foreign exchange		<u>(221,536)</u>	<u>40,731</u>
		(44,595,064)	<u>78,023,946</u>
ADMINISTRATION AND OTHER EXPENSES			
Service fees charged by Alice Ho Miu Ling Nethersole Charity Foundation	2,023,574		1,882,800
Staff training	3,908		1,750
Medical and insurance	22,578		23,266
Office supplies	10,790		9,475
Printing and stationery	6,572		4,109
Telephone, internet charges and postage	13,955		9,706
Travelling expenses	80,152		50,882
Computer expenses	12,199		15,544
Repairs and maintenance	3,401		5,882
Triennial report expenses	57,500		-
Advertising	4,086		4,086
Recruitment advertisement	8,864		-
Audit Fee	40,800		39,100
Bank charges	7,638		4,347
Sundry expenses	<u>120,386</u>		<u>13,934</u>
		<u>2,416,403</u>	<u>2,064,881</u>
(DEFICIT)/SURPLUS FOR THE YEAR BEFORE DONATIONS		(47,011,467)	75,959,065
DONATIONS		<u>(17,441,333)</u>	<u>(17,820,074)</u>
(DEFICIT)/SURPLUS FOR THE YEAR AFTER DONATIONS		<u>(64,452,800)</u>	<u>58,138,991</u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2017

F. S. Li & Co.

李福樹會計師事務所

CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF **THE COUNCIL FOR WORLD MISSION/** **ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

Opinion

We have audited the consolidated financial statements of The Council For World Mission/Alice Ho Miu Ling Nethersole Hospital Fund [the "Fund"] and its subsidiaries (together, the "Group") set out on pages 3 to 14, which comprise the consolidated and Fund statement of financial position as at 31st March 2017, and the consolidated and Fund statement of income and accumulated fund, income fund and general fund, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Fund and of the Group as at 31st March 2017, and of the financial performance of the Fund and of the Group and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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.

Responsibilities of Trustees and Those Charged with Governance for the consolidated financial statements

The Trustees are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- ◆ Conclude on the appropriateness of the Trustees' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FSL & Co.

F.S. Li & Co.
Certified Public Accountants

Hong Kong, 21st July 2017.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

**CONSOLIDATED STATEMENT OF
INCOME AND ACCUMULATED FUND, INCOME FUND AND GENERAL FUND**

FOR THE YEAR ENDED 31ST MARCH 2017


	<u>2017</u> HK\$	<u>2016</u> HK\$
REVENUES		
Gross rental income	1,227,096	966,329
Dividend income on listed investments	7,512,765	8,412,054
Interest income		
Bonds	1,932,385	2,082,692
Banks and investment agents	3,074	68,442
	<u>10,675,320</u>	<u>11,529,517</u>
Increase in fair value of investment properties	4,400,000	200,000
Gain/(Loss) on disposal of financial assets at fair value through profit or loss	8,989,371	(7,401,051)
Gain/(Loss) on change in fair value of financial assets at fair value through profit or loss	41,348,713	(46,975,322)
Gain/(Loss) on foreign exchange	54,857	(221,536)
	<u>65,468,261</u>	<u>(42,868,392)</u>
INVESTMENT RELATED EXPENSES	(1,570,718)	(1,726,672)
ADMINISTRATION EXPENSES	<u>(2,786,760)</u>	<u>(2,416,403)</u>
SURPLUS/(DEFICIT) BEFORE DONATIONS	61,110,783	(47,011,467)
DONATIONS	<u>(16,212,056)</u>	<u>(17,441,333)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	44,898,727	(64,452,800)
ACCUMULATED FUND, INCOME FUND AND GENERAL FUND BROUGHT FORWARD	<u>569,172,070</u>	<u>633,624,870</u>
ACCUMULATED FUND, INCOME FUND AND GENERAL FUND CARRIED FORWARD	<u><u>614,070,797</u></u>	<u><u>569,172,070</u></u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2017

	<u>Note</u>	HK\$	<u>2017</u> HK\$	<u>2016</u> HK\$
NON-CURRENT ASSETS				
Investment properties	6		47,400,000	<u>43,000,000</u>
CURRENT ASSETS				
Financial assets at fair value through profit or loss	8	512,941,826		492,111,485
Accounts receivable and deposits	9	1,291,677		3,266,526
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		382,651		-
Bank and cash balances and deposits with investment agents		<u>52,835,591</u>		<u>33,874,823</u>
		<u>567,451,745</u>		<u>529,252,834</u>
Less: CURRENT LIABILITIES				
Accounts payable and accruals	10	780,948		2,958,198
Amount due to Alice Ho Miu Ling Nethersole Charity Foundation		<u>-</u>		<u>122,566</u>
		<u>780,948</u>		<u>3,080,764</u>
NET CURRENT ASSETS			<u>566,670,797</u>	<u>526,172,070</u>
NET ASSETS			<u>614,070,797</u>	<u>569,172,070</u>
<i>representing:</i>				
RESERVES				
Accumulation Fund, Income Fund and General Fund	11		<u>614,070,797</u>	<u>569,172,070</u>

These financial statements on pages 3 to 14 were approved
and authorised for issue by the Trustees on 21st July 2017.



Trustee



Trustee

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

STATEMENT OF INCOME AND ACCUMULATED FUND, INCOME FUND AND GENERAL FUND

FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
REVENUES		
Gross rental income	1,227,096	966,329
Dividend income on listed investments	7,512,765	8,412,054
Interest income		
Bonds	1,932,385	2,082,692
Banks and investment agents	3,074	68,442
	<u>10,675,320</u>	<u>11,529,517</u>
Increase in fair value of investment properties	4,400,000	200,000
Gain/(Loss) on disposal of financial assets at fair value through profit or loss	8,989,371	(7,401,051)
Gain/(Loss) on change in fair value of financial assets at fair value through profit or loss	41,348,713	(46,975,322)
Gain/(Loss) on foreign exchange	54,857	(221,536)
	<u>65,468,261</u>	<u>(42,868,392)</u>
INVESTMENT RELATED EXPENSES	(1,570,718)	(1,726,672)
ADMINISTRATION EXPENSES	<u>(2,786,760)</u>	<u>(2,416,403)</u>
SURPLUS/(DEFICIT) BEFORE DONATIONS	61,110,783	(47,011,467)
DONATIONS	<u>(16,212,056)</u>	<u>(17,441,333)</u>
SURPLUS/(DEFICIT) FOR THE YEAR	44,898,727	(64,452,800)
ACCUMULATED FUND, INCOME FUND AND GENERAL FUND BROUGHT FORWARD	<u>569,197,813</u>	<u>633,650,613</u>
ACCUMULATED FUND, INCOME FUND AND GENERAL FUND CARRIED FORWARD	<u><u>614,096,540</u></u>	<u><u>569,197,813</u></u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2017

	<u>Note</u>	HK\$	<u>2017</u> HK\$	<u>2016</u> HK\$
NON-CURRENT ASSETS				
Investment properties	6		47,400,000	43,000,000
Subsidiary company	7		<u>10</u>	<u>10</u>
			47,400,010	<u>43,000,010</u>
CURRENT ASSETS				
Financial assets at fair value through profit or loss	8	512,941,826		492,111,485
Accounts receivable and deposits	9	1,774,374		3,749,238
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation		382,651		-
Bank and cash balances and deposits with investment agents		<u>52,378,627</u>		<u>33,417,844</u>
		<u>567,477,478</u>		<u>529,278,567</u>
Less: CURRENT LIABILITIES				
Accounts payable and accruals	10	780,948		2,958,198
Amount due to Alice Ho Miu Ling Nethersole Charity Foundation		<u>-</u>		<u>122,566</u>
		<u>780,948</u>		<u>3,080,764</u>
NET CURRENT ASSETS			<u>566,696,530</u>	<u>526,197,803</u>
NET ASSETS			<u>614,096,540</u>	<u>569,197,813</u>
<i>representing:</i>				
RESERVES				
Accumulation Fund, Income Fund and General Fund	11		<u>614,096,540</u>	<u>569,197,813</u>

These financial statements on pages 3 to 14 were approved
and authorised for issue by the Trustees on 21st July 2017.



Trustee



Trustee

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u>	<u>2016</u>
	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	44,898,727	(64,452,800)
Adjustments for:		
Increase in fair value of investment properties	<u>(4,400,000)</u>	<u>(200,000)</u>
Operating surplus/(deficit) before working capital changes	40,498,727	(64,652,800)
(Increase)/Decrease in financial assets at fair value through profit or loss	(20,830,341)	114,326,401
Decrease/(Increase) in accounts receivable and deposits	1,974,849	(1,627,959)
Change in current account with Alice Ho Miu Ling Nethersole Charity Foundation	(505,217)	268,930
Decrease in accounts payable and accruals	<u>(2,177,250)</u>	<u>(26,040,680)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,960,768	22,273,892
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>33,874,823</u>	<u>11,600,931</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>52,835,591</u></u>	<u><u>33,874,823</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances and deposits with investment agents	<u><u>52,835,591</u></u>	<u><u>33,874,823</u></u>
Cash from operating activities included:		
Interest received	2,052,930	2,443,780
Dividend received	<u><u>7,322,995</u></u>	<u><u>8,624,046</u></u>

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

NOTES TO FINANCIAL STATEMENTS

1. General

The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund ("the Fund") was established on 19th September 1997 with an endowment of HK\$465,234,061 by agreement between the Council for World Mission and the Alice Ho Miu Ling Nethersole Charity Foundation (formerly known as The Executive Committee of The Alice Ho Miu Ling Nethersole Hospital). The Fund is governed by a Trust Deed dated 19th September 1997. Pursuant to the Trust Deed of the Fund, the Fund comprises "Original Trust Fund", "Income Fund", "Accumulation Fund" and "General Fund". In 2012, all balance of "Original Trust Fund" had been transferred to the "Accumulation Fund, Income Fund and General Fund". The Fund is managed by the Trustees of the Fund.

The address of the registered office and principal place of operation of the Fund is Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories.

The principal activity of the Fund and its subsidiary during the year is to support projects which help implement the Fund's objectives of spreading the knowledge of Christ throughout Hong Kong and China.

2. Principal accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the Hong Kong Institute of Certified Public Accountants.

The financial statements have been prepared under the historical cost convention except that investment properties and financial assets at fair value through profit or loss are stated at fair value.

(b) Consolidation

The consolidated financial statements incorporate the financial statements of the Fund and its subsidiary (together, the "Group") made up to 31st March. Inter-company transactions and balances within the Group are eliminated on consolidation.

(c) Revenue recognition

- (i) Rental receivable from investment properties held for use in operating lease is accounted for, using a straight line basis, over the respective periods of the leases.
- (ii) Interest income is recognised as it accrues using the effective interest method.
- (iii) Dividend income is recognised when the shareholder's right to receive payment is established.
- (iv) Proceeds on disposal of financial assets at fair value through profit or loss are recognised on trade date basis.

2. Principal accounting policies (continued)

(d) Investment properties

Investment property is a property held by the Group/the Fund as an owner, or as a lessee under a finance lease, to earn rental or for capital appreciation or both, rather than for (i) use in the production or supply of goods or services or for administrative purposes, or (ii) sale in the ordinary course of business. It also includes a property interest held by a lessee under an operating lease which otherwise meets the definition of an investment property and can be measured at fair value without undue cost and effort on an ongoing basis.

Investment property is measured initially at its cost, including related transaction costs. At the end of each reporting period, investment property is carried at fair value. Fair value derived from the current market prices for comparable real estates estimated annually by independent firm of Surveyor. Changes in fair values are recognised in surplus or deficit.

(e) Subsidiary company

A company is a subsidiary company if it is controlled by the Group (such as holding more than 50% of the issued voting capital). Investment in subsidiary company is stated in the Fund's statement of financial position at cost less provision for any impairment losses. Control exists when the Fund has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Results of subsidiary company are accounted for, in the Fund's surplus or deficit only to the extent of any dividends received and receivable.

(f) Financial instruments

To account for financial instruments (financial assets and liabilities), the Group chooses to apply the recognition and measurement provision of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" of Hong Kong Financial Reporting Standards and the disclosure requirements of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of HKFRSPE.

(g) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss are financial assets held for trading and is classified if:

- i) it has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) it is a derivative.

At the end of each reporting period subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognized directly in surplus or deficit in the period in which they arise. The net gain or loss recognized in surplus or deficit includes any dividend or interest earned on the financial assets.

2. Principal accounting policies (continued)

(h) Accounts receivable and deposits

Accounts receivable and deposits are initially recognised at fair value and thereafter stated at amortized cost less impairment losses for bad and doubtful debts, unless the effect of discounting would be immaterial, in which case they are stated at cost less impairment losses for bad and doubtful debts. A provision for impairment of receivables is made when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables.

(i) Amount due from/to Alice Ho Miu Ling Nethersole Charity Foundation

Amount due from/to Alice Ho Miu Ling Nethersole Charity Foundation, which has no fixed repayment term, is stated at cost less, if applicable, provision for impairment losses.

(j) Accounts payable and accruals

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

(k) Foreign currencies

The Group's/Fund's functional and presentation currency is Hong Kong dollars.

Transactions arising in foreign currencies during the year are converted at exchange rates approximating to those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at rates of exchange approximating to those ruling at that date. All exchange differences are recognised in surplus or deficit.

(l) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with banks and investment agents within 3 months to maturity from date of deposit.

3. Accounting estimates and judgements

The key sources of estimation, uncertainty and critical accounting judgements in applying the Group's accounting policies are described below.

Valuation of investment properties

As described in note 6 on the accounts, investment property is stated at fair value on the valuation performed by an independent professional valuer. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In replying on the valuation report, the management has exercised their judgement and satisfied that the method of valuation is reflective of the current market condition.

Valuation of financial assets at fair value through profit or loss

The fair value of financial assets at fair value through profit or loss is based on market prices quoted, for equivalent instruments at the end of reporting period, by the financial institutions which provide investment agency services to the Fund.

4. Trustees' remuneration

None of the Trustees received any remuneration in respect of their services to the Fund during the year (2016 : Nil).

5. Taxation

The Fund is a charitable institution and is exempt from Hong Kong tax under Section 88 of the Inland Revenue Ordinance.

6. Investment properties

	Group/Fund	
	2017 HK\$	2016 HK\$
Fair value		
At beginning of year	43,000,000	42,800,000
Increase in fair value	4,400,000	200,000
At end of year	47,400,000	43,000,000

Investment properties are held under long lease in Hong Kong.

Investment properties are leased out under operating lease. The lease runs for a period of two years. The investment properties were revalued at 31st March 2016 and 2017 on basis of current market prices for comparable real estates estimated by RHL Appraisal Limited, independent qualified professional valuers not connected with the Fund. The surplus arising on the revaluation was credited to surplus or deficit.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

Notes to financial statements

7. Subsidiary company - Fund

	<u>2017</u> HK\$	<u>2016</u> HK\$
Unlisted shares, at cost	10	10

Particulars of the subsidiary company are as follows:

<u>Name</u>	<u>Place of incorporation</u>	<u>Percentage of equity held</u>	<u>Business nature</u>
CWM/Nethersole Investment Company Limited	Hong Kong	100%	Acting as a trustee of the Fund

8. Financial assets at fair value through profit or loss

	Group/Fund	
	<u>2017</u> HK\$	<u>2016</u> HK\$
Listed equity securities, listed debt securities and fund investments, at market value	512,941,826	492,111,485

9. Accounts receivable and deposits

	Group		Fund	
	<u>2017</u> HK\$	<u>2016</u> HK\$	<u>2017</u> HK\$	<u>2016</u> HK\$
Amount due from subsidiary company	-	-	482,697	482,712
Amount receivable for investment transactions	-	2,132,597	-	2,132,597
Other receivables, prepayments and utility deposits	1,291,677	1,133,929	1,291,677	1,133,929
	1,291,677	3,266,526	1,774,374	3,749,238

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

Notes to financial statements

10. Accounts payable and accruals

	Group/Fund	
	2017 HK\$	2016 HK\$
Sundry payables and accruals	443,327	393,605
Amount payable for investment transactions	-	2,226,957
Rental deposit received	222,168	222,168
Receipt in advance	115,453	115,468
	780,948	2,958,198

11. Accumulation Fund, Income Fund and General Fund

Accumulation Fund represents all capital growth on Original Trust Fund, Income Fund represents all income earned, and General Fund represents all monies received by the Fund which are not part of the Accumulated Fund, Income Fund or Original Trust Fund.

12. Approval of funding for projects

During the year, the Board of Trustees had approved approximately HK\$16.4 million (2016 - HK\$17.6 million) funding to a total of 82 applications (2016 - 77 applications).

13. Future minimum lease payments to be received

At 31st March 2017, the Group/Fund had future aggregate minimum lease payments to be received under non-cancellable operating leases in respect of investment properties as set out below:

	2017 HK\$	2016 HK\$
Not later than one year	729,440	1,227,096
In the second to fifth years inclusive	-	729,440
	729,440	1,956,536

14. Related party transactions

Except the transactions and balances detailed elsewhere in these financial statements, there were no related party transactions undertaken by the Group/Fund during the year.

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

Notes to financial statements

15. Categories of financial assets and liabilities

	Group		Fund	
	<u>2017</u> HK\$	<u>2016</u> HK\$	<u>2017</u> HK\$	<u>2016</u> HK\$
<u>Financial assets</u>				
Current assets at fair value				
Financial assets at fair value through profit or loss	512,941,826	492,111,485	512,941,826	492,111,485
Current assets - at amortized cost:				
Accounts receivable and deposits (excluding prepayments)	1,291,677	3,266,526	1,774,374	3,749,238
Amount due from Alice Ho Miu Ling Nethersole Charity Foundation	382,651	-	382,651	-
Bank and cash balances and deposits with investment agents	52,835,591	33,874,823	52,378,627	33,417,844
	<u>567,451,745</u>	<u>529,252,834</u>	<u>567,477,478</u>	<u>529,278,567</u>
<u>Financial liabilities</u>				
Current liabilities- at amortized cost:				
Accounts payable and accruals (excluding receipt in advance)	665,495	2,842,730	665,495	2,842,730
Amount due to Alice Ho Miu Ling Nethersole Charity Foundation	-	122,566	-	122,566
	<u>665,495</u>	<u>2,965,296</u>	<u>665,495</u>	<u>2,965,296</u>

FOR MANAGEMENT INFORMATION PURPOSES ONLY

**THE COUNCIL FOR WORLD MISSION/
ALICE HO MIU LING NETHERSOLE HOSPITAL FUND**

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2017

	HK\$	<u>2017</u> HK\$	<u>2016</u> HK\$
DIVIDEND INCOME			
- listed investments		7,512,765	8,412,054
INTEREST INCOME		1,935,459	2,151,134
GAIN/(LOSS) ON DISPOSAL OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		8,989,371	(7,401,051)
GAIN/(LOSS) ON CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		41,348,713	(46,975,322)
		59,786,308	(43,813,185)
INVESTMENT RELATED EXPENSES			
Management fees	1,358,497		1,349,855
Securities custodian fees	212,221		376,817
		1,570,718	1,726,672
		58,215,590	(45,539,857)
Gross rental income		1,227,096	966,329
Increase in fair value of investment properties		4,400,000	200,000
Gain/(Loss) on foreign exchange		54,857	(221,536)
		63,897,543	(44,595,064)
ADMINISTRATION AND OTHER EXPENSES			
Service fees charged by Alice Ho Miu Ling Nethersole Charity Foundation	2,554,574		2,023,574
Staff training	8,460		3,908
Medical and insurance	24,691		22,578
Office supplies	7,982		10,790
Printing and stationery	4,362		6,572
Telephone, internet charges and postage	16,083		13,955
Travelling expenses	87,746		80,152
Computer expenses	4,909		12,199
Repairs and maintenance	6,202		3,401
Triennial report expenses	-		57,500
Advertising	4,086		4,086
Recruitment advertisement	8,021		8,864
Audit Fee	42,600		40,800
Bank charges	3,485		7,638
Sundry expenses	13,559		120,386
		2,786,760	2,416,403
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE DONATIONS		61,110,783	(47,011,467)
DONATIONS		(16,212,056)	(17,441,333)
SURPLUS/(DEFICIT) FOR THE YEAR AFTER DONATIONS		44,898,727	(64,452,800)

世界傳道會/
那打素投資有限公司
CWM/Nethersole
Investment Company Limited

財政報告
Audited Financial Statements
(2015-2017)

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2016

F. S. Li & Co.

李福樹會計師事務所

**CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG**

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with audited financial statements of the Company for the year ended 31st March 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was to act as a trustee for The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund.

ACCOUNTS

During the year, all of the Company's income and expenses were absorbed by its parent undertaking. Accordingly, no income statement has been prepared.

The state of the Company's affairs as at 31st March 2016 are set out in the financial statements on page 4.

DIRECTORS

The directors of the Company during the year were:

Chan Chi Kin
Chow Roland Kun Chee [Chairman]
Fung Sau Chung [Vice Chairman]
Lee Ching Chee
Li Fook Hing
Po Kam Cheong
So Shing Yit Eric
Soo Yee Po Thomas
Tam Sheung Wai
Yuen Tin Yau

In accordance with Article 7 of the Company's Articles of Association, all directors retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of the directors of the Company. At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the directors of the Company.

MANAGEMENT CONTRACTS

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

On behalf of the Board

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line and a small upward stroke.

Mr. Chow Roland Kun Chee
Chairman

Hong Kong, 22nd July 2016.

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1001 Admiralty Centre Tower 1, 18 Harcourt Road, Hong Kong.
Tel : 2861 1717 Fax : 2865 6828 Email : mail@fslco.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the financial statements of the Company set out on pages 4 to 9, which comprise the statement of financial position as at 31st March 2016, and the statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") and the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 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 Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2016 and of its cash flows for the year then ended in accordance with HKFRSPE and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



F.S. Li & Co.
Certified Public Accountants

Hong Kong, 22nd July 2016.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2016

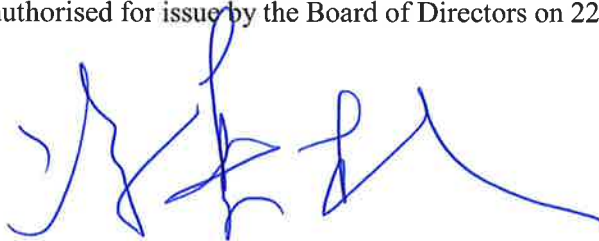
	<u>Note</u>	<u>2016</u> HK\$	<u>2015</u> HK\$
CURRENT ASSETS			
Bank balances		456,979	333,538
<u>Less: CURRENT LIABILITIES</u>			
Amount due to holding company	6	<u>482,712</u>	<u>359,271</u>
NET CURRENT LIABILITIES		<u>(25,733)</u>	<u>(25,733)</u>

representing:


CAPITAL AND RESERVE

Share capital	7	10	10
Accumulated loss		<u>(25,743)</u>	<u>(25,743)</u>
		<u>(25,733)</u>	<u>(25,733)</u>

These financial statements on pages 4 to 9 were approved and authorised for issue by the Board of Directors on 22nd July 2016.



Mr. Fung Sau Chung
Director



Rev. So Shing Yit Eric
Director

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2016

	<u>2016</u> HK\$	<u>2015</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net advances from holding company	<u>123,441</u>	<u>95,442</u>
NET CASH FROM FINANCING ACTIVITIES	<u>123,441</u>	<u>95,442</u>
INCREASE IN CASH AND CASH EQUIVALENTS	123,441	95,442
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>333,538</u>	<u>238,096</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>456,979</u>	<u>333,538</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	<u>456,979</u>	<u>333,538</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2016

	<u>Share capital</u> HK\$	<u>Accumulated loss</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2014, 31st March 2015, and 31st March 2016	<u>10</u>	<u>(25,743)</u>	<u>(25,733)</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

1. General

(a) Corporate information

The Company is a private company incorporated in Hong Kong with limited liability. At the date of issue of these financial statements, the registered office of the Company is located at Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories, Hong Kong. The principal activity of the Company was to act as a trustee for its parent undertaking, the Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund. All of the Company's income and expenses during the year were absorbed by its holding company (2015 - Same), and therefore no statement of comprehensive income has been prepared for the year.

(b) Ultimate parent undertaking

The directors consider the Company's ultimate parent undertaking is The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund which is a Fund governed by a Trust Deed dated 19th September 1997 and was established in Hong Kong.

(c) Presentation currency and level of rounding

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

2. Basis of preparation

(a) Statement of compliance

These financial statements comply with all applicable sections of the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by HKICPA and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

(b) Reporting exemption

The Company falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Nevertheless, the Directors resolved not to take advantage of the reporting exemption and these financial statements comply with HKFRSPE.

(c) Basis of measurement

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

3. Summary of significant accounting policies

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

(a) Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using liability method. Taxation rates enacted or substantively enacted by the reporting date are used to determine deferred tax.

Deferred tax liabilities are provided for in full on all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(b) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposit with banks within 3 months to maturity from date of deposit.

(c) Amount due to holding company

Amount due to holding company, which has no repayment term, is stated at cost (instead of amortised cost).

4. Directors' remuneration and other interests

The directors did not receive or have and would not receive or have any remuneration or interests as mentioned in Section 383(1)(a), (b), (c) and (d) of the Companies Ordinance during the year (2015 - Same).

No consideration was provided to or receivable by third parties for services of the directors or their services in other capacity while directors.

5. Taxation

No provision for Hong Kong profits tax has been made as there are no income and expenses for the year (2015 - Nil).

6. Amount due to holding company

The amount due to holding company is unsecured, interest free and there is no fixed repayment term.

7. Share capital

	<u>2016</u> HK\$	<u>2015</u> HK\$
Issued and fully paid:		
10 ordinary shares with no par value	<u>10</u>	<u>10</u>

8. Categories of financial assets and liabilities

	<u>2016</u> HK\$	<u>2015</u> HK\$
<u>Financial assets - at amortised cost:</u>		
Current accounts		
Bank balances	<u>456,979</u>	<u>333,538</u>
<u>Financial liabilities - at amortised cost:</u>		
Current liabilities		
Amount due to holding company	<u>482,712</u>	<u>359,271</u>

9. Income statement

No income statement has been prepared because all the Company's income and expenses during the year were absorbed by its parent undertaking.

10. Related party transactions

Except the transactions and balances detailed elsewhere in these financial statements, there were no related party transactions undertaken by the Company during the year (2015 - Same).

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2017

F. S. Li & Co.

李福樹會計師事務所

CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with audited financial statements of the Company for the year ended 31st March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was to act as a trustee for The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund.

ACCOUNTS

During the year, all of the Company's income and expenses were absorbed by its parent undertaking. Accordingly, no income statement has been prepared.

The state of the Company's affairs as at 31st March 2017 are set out in the financial statements on page 5.

DIRECTORS

The directors of the Company during the year were:

Chow Roland Kun Chee [Chairman]
Fung Sau Chung [Vice Chairman]
Chan Chi Kin
Chang Chun Wa Ben (appointed on 19th July 2016)
Lee Ching Chee
Li Fook Hing
Po Kam Cheong
So Shing Yit Eric
Soo Yee Po Thomas
Tam Sheung Wai
Yuen Tin Yau (Resigned on 19th July 2016)

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of the directors of the Company. At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the directors of the Company.

MANAGEMENT CONTRACTS

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

On behalf of the Board

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line and a small flourish.

Mr. Chow Roland Kun Chee
Chairman

Hong Kong, 21st July 2017.

F. S. Li & Co.

CERTIFIED PUBLIC ACCOUNTANTS

1001 Admiralty Centre Tower 1, 18 Harcourt Road, Hong Kong.
Tel : 2861 1717 Fax : 2865 6828 Email : mail@fslico.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of CWM/Nethersole Investment Company Limited ("the Company") set out on pages 5 to 10, which comprise the statement of financial position as at 31st March 2017, and 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 Company as at 31st March 2017, and of its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAs") issued by the HKICPA. 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. 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 Company 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 directors are responsible for the other information. The other information comprises all the information included in the directors' report other than 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.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ 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 Company's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ◆ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FSL & Co.

F.S. Li & Co.
Certified Public Accountants

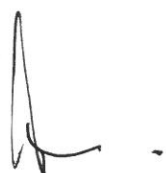
Hong Kong, 21st July 2017.

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2017

	<u>Note</u>	<u>2017</u> HK\$	<u>2016</u> HK\$
CURRENT ASSETS			
Bank balances		456,964	456,979
<u>Less: CURRENT LIABILITIES</u>			
Amount due to parent undertaking	6	<u>482,697</u>	<u>482,712</u>
NET CURRENT LIABILITIES		<u><u>(25,733)</u></u>	<u><u>(25,733)</u></u>
 <i>representing:</i>			
CAPITAL AND RESERVE			
Share capital	7	10	10
Accumulated loss		<u>(25,743)</u>	<u>(25,743)</u>
		<u><u>(25,733)</u></u>	<u><u>(25,733)</u></u>

These financial statements on pages 5 to 10 were approved and authorised for issue by the Board of Directors on 21st July 2017.



Mr. Chow Roland Kun Chee
Director



Mr. Fung Sau Chung
Director

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2017

	<u>2017</u> HK\$	<u>2016</u> HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	----- -	----- -
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment to)/advances from parent undertaking	<u>(15)</u>	<u>123,441</u>
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>----- (15)</u>	<u>----- 123,441</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15)	123,441
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>456,979</u>	<u>333,538</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>456,964</u></u>	<u><u>456,979</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	<u><u>456,964</u></u>	<u><u>456,979</u></u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2017

	<u>Share capital</u> HK\$	<u>Accumulated loss</u> HK\$	<u>Total</u> HK\$
Balance at 31st March 2015, 31st March 2016, and 31st March 2017	<u>10</u>	<u>(25,743)</u>	<u>(25,733)</u>

CWM/NETHERSOLE INVESTMENT COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

1. General

(a) Corporate information

The Company is a private company incorporated in Hong Kong with limited liability. At the date of issue of these financial statements, the registered office of the Company is located at Room 12, 7/F., Block J, 11 Chuen On Road, Tai Po, New Territories, Hong Kong. The principal activity of the Company was to act as a trustee for its parent undertaking, the Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund. All of the Company's income and expenses during the year were absorbed by its parent undertaking (2016 - Same), and therefore no statement of comprehensive income has been prepared for the year.

(b) Ultimate parent undertaking

The directors consider the Company's ultimate parent undertaking is The Council for World Mission/Alice Ho Miu Ling Nethersole Hospital Fund, which is a Fund governed by a Trust Deed dated 19th September 1997 and was established in Hong Kong.

(c) Presentation currency and level of rounding

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

2. Basis of preparation

(a) Statement of compliance

These financial statements comply with all applicable sections of the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by HKICPA and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern. In addition, historical cost convention is adopted.

(b) Reporting exemption

The Company falls within reporting exemption for the reporting period under section 359(1) of the Hong Kong Companies Ordinance. Nevertheless, the Directors resolved not to take option of this exemption and prepare these financial statements in accordance with HKFRSPE.

(c) Basis of measurement

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

3. Summary of significant accounting policies

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

(a) Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using liability method. Taxation rates enacted or substantively enacted by the reporting date are used to determine deferred tax.

Deferred tax liabilities are provided for in full on all taxable temporary differences, while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(b) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposit with banks within 3 months to maturity from date of deposit.

(c) Amount due to parent undertaking

Amount due to parent undertaking, which has no repayment term, is stated at cost (instead of amortised cost).

4. Directors' remuneration and other interests

The directors during the year did not receive and would not receive any benefits or did not have an interest in respect of the items as mentioned in Section 383(a), (b), (c) and (d) of the Hong Kong Companies Ordinance (2016 - Same).

No consideration was provided to or receivable by third parties for making available the services of a person as director or in any other capacity while director (2016 - Same).

5. Taxation

No provision for Hong Kong profits tax has been made as there are no income and expenses for the year (2016 - Nil).

6. Amount due to parent undertaking

The amount due to parent undertaking is unsecured, interest free and there is no fixed repayment term.

7. Share capital

	<u>2017</u> HK\$	<u>2016</u> HK\$
Issued and fully paid: 10 ordinary shares with no par value	10	10

8. Categories of financial assets and liabilities

	<u>2017</u> HK\$	<u>2016</u> HK\$
<u>Financial assets - at (amortised) cost:</u>		
Current accounts		
Bank balances	456,964	456,979
<u>Financial liabilities - at (amortised) cost:</u>		
Current liabilities		
Amount due to parent undertaking	482,697	482,712

9. Related party transactions

Except the transactions and balances detailed elsewhere in these financial statements, there were no related party transactions undertaken by the Company during the year (2016 - Same).