

**PRIME & CO.**  
*Certified Public Accountants*

會計師事務所  
**德永**

**CONFIDENTIAL**

**THE CIVIC PARTY LIMITED**

**公民黨有限公司**

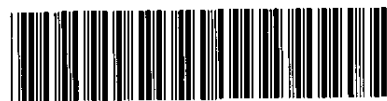
*(Company incorporated in Hong Kong with limited liability by guarantee)*

Certified True Copy

2016

HOI PUI SHAN  
Company Secretary

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2016**



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THE CIVIC PARTY LIMITEDREPORT OF THE EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members have pleasure in submitting their annual report on the affairs of the Party together with the audited financial statements for the year ended 31st March, 2016.

## PRINCIPAL ACTIVITY AND GENERAL INFORMATION

The Party is incorporated in Hong Kong under the Companies Ordinance with limited liability by guarantee. The registered office and principal place of operation are located at Unit 202, 2/F., Block B, Sea View Estate, 4-6 Watson Road, North Point, Hong Kong. Its principal activity is to promote a democratic political system in Hong Kong built upon universal suffrage, the rule of law, constitutionalism, civil liberties and equality of opportunities for all Hong Kong's people.

## FINANCIAL STATEMENTS

The financial results of the Party for the year ended 31st March, 2016 and its state of the affairs at that date are set out in the financial statements on pages 6 to 20.

## PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 8 to the financial statements.

## EXECUTIVE COMMITTEE MEMBERS

The Executive Committee members during the financial year were:-

Party Chairman	Eu Yuet Mee, Audrey
Party Leader	Leong Kah Kit, Alan (resigned on 1st October, 2016)
Vice-chairman (Internal affairs)	Chan Ching Kiu, Stephen
Vice-chairman (External affairs)	Chan Tanya
Secretary General	Lay Yan Piau
Chairman of Geographical Branches	Leung Siu Sun Chan Kam Bun, Gideon So Yiu Kwan, Simon Wong Hok Ming Yeung Alvin Ngok Kiu
Chairman on Policy Branches	Ki Mui Kuen, Annie (appointed on 14th July, 2015) Kwok Ka Ki Kwok Wing Hang Mak Ka Wai Mo Man Ching, Claudia (resigned on 8th July, 2015) Tsang Kwok Fung

## EXECUTIVE COMMITTEE MEMBERS (CONTINUED)

Chairman of the Young Civics	Cheng Tat Hung
Treasurer	Choy Kai Sing
Non-portfolio Position	Chan Kai Yuen
	Chan Yu Ming
	Leung Wing Man

By a special resolution passed on 20th September, 2016, Yeung Alvin Ngok Kiu was appointed as the acting party leader on 1st October, 2016.

In accordance with the Article 65(a) of the Party's Articles of Association, the remaining Executive Committee members being elected shall hold office for 24 months or until the second following Annual General Meeting at which they were elected.

## EXECUTIVE COMMITTEE MEMBERS' INTEREST

Details of Executive Committee members' interest in contracts of significance in relation to the Party's business are set out in note 11 to the financial statements.

Apart from the above, no other contract of significance, to which the Party was a party and in which an Executive Committee member of the Party had a material interest, subsisted at the end of the year or at any time during the year.

## ARRANGEMENTS FOR ACQUISITIONS OF INTEREST

At no time during the year was the Party a party to any arrangements to enable the Executive Committee members of the Party to acquire benefits by means of acquisition of interests in the Party or any other body corporate.

## RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in note 11 to the financial statements.

## PERMITTED INDEMNITY PROVISION

At no time during the year and up to the date of this report were there any permitted indemnity provisions in force for the benefit of one or more Executive Committee members of the Party.

## BUSINESS REVIEW

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

AUDITORS

Prime & Co. retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of Prime & Co. as auditors of the Party is to be proposed at the forthcoming annual general meeting.

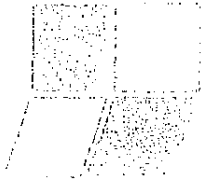
On behalf of the Executive Committee



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Eu Yuet Mee, Audrey  
Chairman

Hong Kong, 16 NOV 2016



**PRIME & CO.**  
Certified Public Accountants

會計師事務所  
德永

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**AUDITORS' REPORT TO THE MEMBERS OF  
THE CIVIC PARTY LIMITED**  
(Incorporated in Hong Kong with limited liability by guarantee)

We have audited the financial statements of The Civic Party Limited ("the Party") set out on pages 6 to 20, which comprise the statement of financial position as at 31st March, 2016, the statement of profit or loss and other comprehensive income, statement of changes in accumulated funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**EXECUTIVE COMMITTEE MEMBERS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Executive Committee members are responsible for the preparation and the true and fair presentation of the financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the executive committee members determine is necessary to enable the preparation 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. This report is made solely to you, as a body, in accordance with 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 as to whether the financial statements are free from material misstatement.

**PRIME & CO.**  
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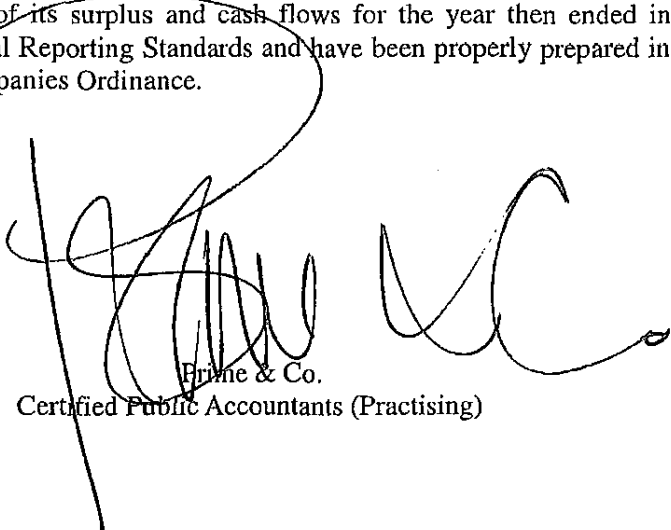
**AUDITORS' RESPONSIBILITY (CONTINUED)**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 Executive Committee members, as well as evaluating the overall presentation of the financial statements.

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

**OPINION**

In our opinion, the financial statements give a true and fair view of the state of the Party's affairs as at 31st March, 2016 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Prime & Co.  
Certified Public Accountants (Practising)

Hong Kong, 16 NOV 2016

THE CIVIC PARTY LIMITEDSTATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH, 2016

(Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>INCOME</b>			
Members' entrance fee and annual subscriptions		\$ 11,400	\$ 53,400
Donations		8,375,070	8,125,885
Sundry income		<u>34,818</u>	<u>-</u>
		<u>\$ 8,421,288</u>	<u>\$ 8,179,285</u>
<b>EXPENDITURE</b>			
Event and campaigns expenses		(2,174,344)	(2,047,260)
Administrative and operating expenses		(5,056,645)	(4,456,536)
Depreciation		<u>(137,946)</u>	<u>(155,830)</u>
		<u>\$ (7,368,935)</u>	<u>\$ (6,659,626)</u>
<b>SURPLUS BEFORE TAXATION</b>	5	\$ 1,052,353	\$ 1,519,659
<b>TAXATION</b>	7(a)	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE YEAR</b>		<u>\$ 1,052,353</u>	<u>\$ 1,519,659</u>

The notes on pages 10 to 20 form part of these financial statements.

THE CIVIC PARTY LIMITEDSTATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2016

(Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	\$ 253,941	\$ 298,086
<b>CURRENT ASSETS</b>			
Deposits		\$ 205,100	\$ 184,700
Other receivables		361,078	138,668
Prepayments		15,572	15,411
Cash at banks and in hand		<u>5,771,756</u>	<u>5,129,111</u>
		<u>\$ 6,353,506</u>	<u>\$ 5,467,890</u>
<b>CURRENT LIABILITY</b>			
Accruals		45,602	265,684
Receipt in advance		<u>9,200</u>	<u>-</u>
		<u>\$ 54,802</u>	<u>\$ 265,684</u>
<b>NET CURRENT ASSETS</b>		<u>\$ 6,298,704</u>	<u>\$ 5,202,206</u>
<b>NET ASSETS</b>		<u>\$ 6,552,645</u>	<u>\$ 5,500,292</u>
<b>Represented by:</b>			
<b>ACCUMULATED FUNDS</b>		<u>\$ 6,552,645</u>	<u>\$ 5,500,292</u>

Approved by the Executive Committee on 16 NOV 2016




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 Eu Yuet Mee, Audrey  
 Chairman




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 Choy Kai Sing  
 Treasurer

The notes on pages 10 to 20 form part of these financial statements.



THE CIVIC PARTY LIMITEDSTATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED 31ST MARCH, 2016

(Expressed in Hong Kong dollars)

	<u>Accumulated funds</u>
Balance at 1st April, 2014	\$ 3,980,633
Surplus for the year	<u>1,519,659</u>
Balance at 31st March, 2015 and at 1st April, 2015	\$ 5,500,292 <sup>*</sup>
Surplus for the year	<u>1,052,353</u>
Balance at 31st March, 2016	<u>\$ 6,552,645</u>

THE CIVIC PARTY LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH, 2016

(Expressed in Hong Kong dollars)

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		\$ 1,052,353	\$ 1,519,659
Adjustments for:			
Depreciation		137,946	155,830
Written off of other receivables		30,300	-
Operating surplus before working capital changes		\$ 1,220,599	\$ 1,675,489
(Increase)/decrease in deposits and prepayments		(20,561)	208,012
(Increase)/decrease in other receivables		(252,710)	40,000
Increase/(decrease) in receipt in advance		9,200	-
(Decrease)/increase in accruals		(220,082)	205,951
Net cash inflow from operating activities		\$ 736,446	\$ 2,129,452
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		\$ (93,801)	\$ (114,998)
Net cash outflow from investing activities		\$ (93,801)	\$ (114,998)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		\$ 642,645	\$ 2,014,454
Cash and cash equivalents at 1st April		5,129,111	3,114,657
CASH AND CASH EQUIVALENTS AT 31ST MARCH (a)		\$ 5,771,756	\$ 5,129,111

Note

(a) Analysis of the balances of cash and cash equivalents as shown in the statement of financial position:-

	<u>2016</u>	<u>2015</u>
Cash at banks	\$ 5,746,185	\$ 5,101,979
Cash in hand	25,571	27,132
	\$ 5,771,756	\$ 5,129,111

(b) The carrying amounts of cash and cash equivalents in the statement of financial position are denominated in the following currencies other than the functional currency of the entity to which they relate:-

	<u>2016</u>	<u>2015</u>
Japanese Yen	JPY 1,000	JPY 1,000
Malaysian Ringgit	MYR 1	MYR 1
Macanese Pataca	MOP 560	MOP 500
Renminbi	CNY 12,136	CNY 12,788
Singapore Dollar	SDG 14	SDG 14
Thai Baht	THB 20	THB 20
United States Dollar	USD 318	USD 251

THE CIVIC PARTY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of compliance

The 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 and the Hong Kong Companies Ordinance.

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Party. Of these, the following developments are relevant to the Party's financial statements:

HKAS 19 (2011) Amendments	-Defined Benefit Plans: Employee Contributions Liabilities
Annual Improvements 2010-2012 Cycle	-Amendments to a number of HKFRSs
Annual Improvements 2011-2013 Cycle	-Amendments to a number of HKFRSs

The adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

(b) Measurement basis

The measurement basis used in the preparation of financial statements is historical cost.

## 2. SIGNIFICANT ACCOUNTING POLICIES

## (a) Capital management policy

For the purpose of the capital disclosure, the accumulated fund is regarded as capital of the Party. The Party's objective in managing capital is to safeguard its ability to continue as a going concern so that it can continue to promote a democratic political system in Hong Kong built upon universal suffrage, the rule of law, constitutionalism, civil liberties and equality of opportunities for all Hong Kong's people.

## (b) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less aggregate depreciation and any impairment loss. Depreciation is calculated to write off the cost of items in property, plant and equipment over their anticipated useful lives on a straight line basis as follows: -

Leasehold improvement	20% per annum
Furniture and equipment	20% per annum

## (c) Impairment of assets

An assessment is made at the end of each reporting period of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated at the higher of the asset's value in use and its net selling price.

A previously recognised impairment loss is reversed only if there had been changes in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the comprehensive income statement in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

## (d) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (e) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Party becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of income.

Financial assets

The Party's financial assets are classified into loans and receivables. The Party determines the classification of its financial assets after initial recognition and, where allowed and appropriate, reconsiders their designation at each financial year end. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

## (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. At each end of the reporting period subsequent to initial recognition, loans and receivables (including other receivables, deposits and cash and cash equivalents) are carried at amortised cost using the effective interest method, less any identified impairment losses.

## (ii) Impairment of financial assets

The Party assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a Party of financial assets is impaired.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (e) Financial instruments (continued)

Financial assets (continued)

## (ii) Impairment of financial assets (continued)

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in statement of income. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in statement of income, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The Party's financial liabilities are generally classified into financial liabilities at amortised cost.

Financial liabilities at amortised cost including other payables are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in statement of income when the liabilities are derecognised as well as through the amortisation process.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (e) Financial instruments (continued)

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire or, the financial assets are transferred and the Party has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss. If the Party retains substantially all the risk and rewards of ownership of a transferred financial asset, the Party continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## (f) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Party and when the revenue can be measured reliably, on the following bases:-

## (i) Annual subscription, membership fee and donations

Annual subscription, membership fee and donations are recognised when received and receivable.

## (g) Income tax

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

Income tax is provided on the basis of the results for the year for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (g) Income tax (continued)

Deferred taxation is provided in full, using the balance sheet liability method, on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the end of reporting period are used to determine deferred taxation.

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 utilised.

## (h) Employee benefits

## (i) Employees leave entitlements

The cost of accumulating compensated absences is recognised as an expense and measured based on the additional amount that the Party expects to pay as a result of the unused entitlement that has accumulated at the date of statement of financial position.

## (ii) Retirement benefit costs

The Party operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the 'MPF Scheme') under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Party in an independently administered fund. The Party's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Party's employer voluntary contributions, which are refunded to the Party when employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

## (i) Operating leases

Lease where substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rental expenses on such lease are charged to the statement of comprehensive income on a straight line basis over the term of the lease.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## (j) Related parties

For the purposes of these financial statements, a party is considered to be related to the Party if:-

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Party or exercise significant influence over the Party in making financial and operating policy decisions, or has joint control over the Party;
- (ii) the Party and the party are subject to common control;
- (iii) the party is an associate of the Party or a joint venture in which the Party is a venturer;
- (iv) the party is a member of key management personnel of the Party or the Party's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Party or of any entity that is a related party of the Party;  
or
- (vii) the party provides key management personnel services to the Party.

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

## 3. FINANCIAL RISK MANAGEMENT

## (a) Credit risk

The Party's credit risk is primarily attributable to other receivables. The exposures to these credit risks are monitored on an ongoing basis.

Substantially all the Party's cash and cash equivalents are deposited with financial institutions in Hong Kong that are high-credit quality and meet the estimated credit rating or other criteria.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment loss.

## 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

## (b) Liquidity risk

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

The remaining contractual maturities at the end of the reporting period of the Party's non-derivative financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Party can be required to pay is \$54,802 and payable within one year or on demand.

## (c) Fair values

All financial instruments are carried at amounts not materially different from their fair values at 31st March, 2016 and 2015.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There is no significant risk of key assumptions concerning the future and other key sources of estimation at the end of the reporting period which will cause an adjustment to carrying amounts of assets and liabilities within the next financial year.

There are no significant effects on amounts recognised in the financial statements arising from the judgement or estimates used by the Executive Committee members.

## 5. SURPLUS BEFORE TAXATION

Surplus before taxation is arrived at after charging the following items:-

	<u>2016</u>	<u>2015</u>
Auditors' remuneration	\$ 18,000	\$ 16,000
Bad debt	5,000	-
Consultancy fee	213,420	184,800
Depreciation	137,946	155,830
Grant	73,400	85,624
Event and campaigns	2,100,944	1,931,386
Printing and stationery	266,391	236,897
Operating lease on hire of premise	792,171	677,947
Retirement benefits contributions for defined contribution plans	143,971	125,589
Staff cost (excluding Executive Committee members' remuneration in note 6)	3,169,123	2,812,373
Written back of other receivables	30,300	-

## 6. EXECUTIVE COMMITTEE MEMBERS' REMUNERATION

Executive Committee members' remuneration disclosed pursuant to section 383 of the Hong Kong Companies Ordinance is as follows:-

	<u>2016</u>		<u>2015</u>	
Fees	\$	Nil	\$	Nil
Other emoluments		Nil		Nil

## 7. TAXATION

(a) No provision has been made for Hong Kong profits tax as the Party did not earn income subject to the Hong Kong profits tax.

(b) The reconciliation between the taxation and the surplus per statement of comprehensive income is as follows:-

	<u>2016</u>		<u>2015</u>	
Surplus for the year	\$	1,052,353	\$	1,519,659
Tax at Hong Kong Profits Tax rate of 16.5% (2015-16.5%)	\$	173,638	\$	250,743
Tax effect of non-taxable revenue		(173,638)		(250,743)
Taxation for the year	\$	-		-

(c) Deferred tax has not been provided for as there are no deferred tax assets or liabilities.

## 8. PROPERTY, PLANT AND EQUIPMENT

	<u>Leasehold improvement</u>	<u>Furniture and equipment</u>	<u>Total</u>
Cost:-			
At 1st April, 2014	\$ 727,279	\$ 1,322,234	\$ 2,049,513
Additions	<u>-</u>	<u>114,998</u>	<u>114,998</u>
At 31st March, 2015 and at 1st April, 2015	\$ 727,279	\$ 1,437,232	\$ 2,164,511
Additions	<u>-</u>	<u>93,801</u>	<u>93,801</u>
At 31st March, 2016	<u>\$ 727,279</u>	<u>\$ 1,531,033</u>	<u>\$ 2,258,312</u>
Accumulated depreciation:-			
At 1st April, 2014	\$ 704,607	\$ 1,005,988	\$ 1,710,595
Charge for the year	<u>7,358</u>	<u>148,472</u>	<u>155,830</u>
At 31st March, 2015 and at 1st April, 2015	\$ 711,965	\$ 1,154,460	\$ 1,866,425
Charge for the year	<u>7,358</u>	<u>130,588</u>	<u>137,946</u>
At 31st March, 2016	<u>\$ 719,323</u>	<u>\$ 1,285,048</u>	<u>\$ 2,004,371</u>
Net book value:-			
At 31st March, 2016	<u>\$ 7,956</u>	<u>\$ 245,985</u>	<u>\$ 253,941</u>
At 31st March, 2015	<u>\$ 15,314</u>	<u>\$ 282,772</u>	<u>\$ 298,086</u>

## 9. CAPITAL MANAGEMENT

The Party has no share capital and its capital comprises only the funds stated in the statement of financial position. The Party manages capital by regularly monitoring its current and expected liquidity requirements.

The funds of the Party are not distributable to its members and are applied solely towards the promotion of objects set out in its Articles of Association.

## 10. OPERATING LEASE COMMITMENTS

At 31st March, 2016, the total future minimum lease payments under non-cancellable operating leases for premises are as follows:-

	<u>2016</u>	<u>2015</u>
Within 1 year	\$ 634,290	\$ 631,938
After 1 year but within 5 years	<u>172,465</u>	<u>674,774</u>
	<u>\$ 806,755</u>	<u>\$ 1,306,712</u>

## 11. RELATED PARTY TRANSACTIONS

The Party had the following significant transactions with the related party for the year ended 31st March, 2016:-

<u>Name of related parties</u>	<u>Nature of transaction</u>	<u>2016</u>	<u>2015</u>
Public Affairs Centre Limited (under directorship of Eu Yuet Mee, Audrey)	HQ office rental	<u>\$ 480,000</u>	<u>\$ 450,000</u>

At 31st March, 2016, there is no outstanding balance due to Public Affairs Centre Limited.

THE CIVIC PARTY LIMITEDDETAILED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH, 2016

(Expressed in Hong Kong dollars)

	<u>2016</u>	<u>2015</u>
<b>INCOME</b>		
Members' entrance fee and annual subscriptions	\$ 11,400	\$ 53,400
Donations	8,375,070	8,125,885
Sundry income	34,818	-
	<u>\$ 8,421,288</u>	<u>\$ 8,179,285</u>
<b>LESS: EVENT AND CAMPAIGNS EXPENSES</b>		
Advertisement	\$ -	\$ 30,250
Event and campaigns	2,100,944	1,931,386
Grant	73,400	85,624
	<u>\$ 2,174,344</u>	<u>\$ 2,047,260</u>
<b>LESS: ADMINISTRATIVE AND OPERATING EXPENSES</b>		
Auditors' remuneration	\$ 18,000	\$ 16,000
Bad debt	5,000	-
Bank charges	2,350	1,850
Building management fee	58,875	49,275
Business registration fee	2,250	3,001
Cleaning	51,948	50,825
Consultancy fee	213,420	184,800
Insurance	45,388	36,042
Licence and registration fee	105	1,702
MPPF contribution	143,971	125,589
Office supplies	10,609	15,733
Postage	3,541	4,726
Printing and stationery	266,391	236,897
Rent	792,171	677,947
Repair and maintenance	24,893	34,980
Salary and bonus	3,169,123	2,812,373
Sundries	8,070	670
Telephone and internet	115,654	109,762
Transportation	13,433	10,230
Travelling	6,131	9,135
Utilities	75,022	74,999
Written off of other receivables	30,300	-
	<u>\$ 5,056,645</u>	<u>\$ 4,456,536</u>
<b>LESS: DEPRECIATION</b>		
Depreciation	<u>\$ 137,946</u>	<u>\$ 155,830</u>
<b>SURPLUS FOR THE YEAR</b>	<u>\$ 1,052,353</u>	<u>\$ 1,519,659</u>