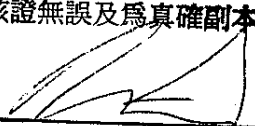


**THE DEMOCRATIC PARTY**  
**(Incorporated in Hong Kong and limited by guarantee)**

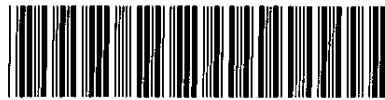
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

核證無誤及為真確副本



姓名：袁海文

日期：11/1/2017



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**THE DEMOCRATIC PARTY**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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本報告書は、民主黨の財務状況を説明するものである。

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民主黨  
代表者

REPORT OF CENTRAL COMMITTEE

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The Central Committee have pleasure in presenting their report together with the audited financial statements of the Group and the Party for the year ended 31 March 2016.

**FINANCIAL STATEMENTS**

The Group's financial performance for the year are set out in the consolidated statement of income and general fund on pages 4 to 5.

The financial position of the Group at 31 March 2016 is set out in the consolidated statement of financial position on page 6.

The cash flows of the Group for the year are set out in the consolidated statement of cash flows on page 7.

**PRINCIPAL ACTIVITIES**

The Party has been established as a Political Party in Hong Kong. Its subsidiary holds leasehold land and buildings which have been leased to the Party as offices.

There have been no significant changes in the nature of these activities during the year.

**CENTRAL COMMITTEE MEMBERS**

The Central Committee members during the year and up to the date of this report were:

Au Nok Hin  
Chai Man Hon  
Chan Shu Ying, Josephine  
Chau Man Fong (elected on 6 December 2015)  
Cheung Man Kwong  
Chow Kam Siu, Joseph  
Ho Chi Wai  
Ho Chun Yan  
Hui Chi Fung  
Lai King Wai  
Lam Chung Hoi  
Lam Ka Ka (elected on 6 December 2015)  
Lam Tsz Kin, Howard (elected on 6 December 2015)  
Lau Wai Hing, Emily  
Lee Wing Tat  
Li Kin Yin  
Li Wing Shing  
Lo Kin Hei  
Mok Kin Shing  
Ng Wing Fai, Stanley  
Or Yiu Lam, Ricky  
Sin Chung Kai  
Tam Chun Kit  
Tsoi Yiu Cheong, Richard  
Tsoi Yu Lung  
Tsui Hon Kwong  
Wan Siu Kin, Andrew  
Wong Pik Wan  
Wong Sing Chi (resigned on 16 April 2015)  
Yuen Hoi Man  
Yeung Sum

**RETIREMENT BY ROTATION**

Central Committee members shall hold office until and shall retire from office at the second next Annual General Meeting after that at which they are elected, and shall be eligible for re-election.

REPORT OF CENTRAL COMMITTEE - CONTINUED

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**PERMITTED INDEMNITY PROVISIONS**

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 any of the Central Committee members.

**CENTRAL COMMITTEE MEMBER'S INTERESTS IN CONTRACTS**

Except as disclosed in the financial statements, no contract of significance to which the Party or its subsidiary was a party and in which a Central Committee member had a material interest subsisted at the end of the year or at any time during the year.

**BUSINESS REVIEW**

The Group falls within reporting exemption for the year and is accordingly not required to prepare a business review.

**AUDITORS**

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Central Committee



Chairman

13 OCT 2016

**William Po & CO.**

Certified Public Accountants

蒲錦文會計師事務所

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE DEMOCRATIC PARTY****(Incorporated in Hong Kong and limited by guarantee)**

We have audited the consolidated financial statements of The Democratic Party ("the Party") and its subsidiary (collectively referred to as "the Group") set out on pages 4 to 18, which comprise the consolidated statement of financial position as at 31 March 2016, the consolidated statement of income and general fund and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Central Committee members' responsibility for the consolidated financial statements.**

The Central Committee members are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the Central Committee members 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 and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

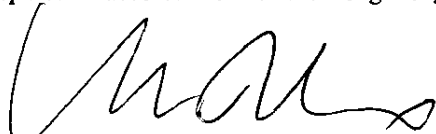
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial 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 Central Committee members, 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 Group as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.


**WILLIAM PO & CO.****Certified Public Accountants**

Hong Kong, 13 OCT 2016

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**CONSOLIDATED STATEMENT OF INCOME AND GENERAL FUND  
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 HK\$	2015 HK\$
<b>Income</b>		
Donations from non-members	7,279,870	6,578,871
Donations from members	1,650,350	4,651,414
Membership fee	30,870	61,510
Income on sale of raffle tickets	2,874,276	2,382,527
Sundry income	348,389	53,696
Project and activity income	8,807,710	4,756,598
Interest income	9,576	141,024
Monthly donation scheme income	41,016	55,060
Bad debts recovered	44,530	182,667
	<u>21,086,587</u>	<u>18,863,367</u>
Less: Expenditure (details on page 5)	<u>(17,954,484)</u>	<u>(14,432,183)</u>
Surplus for the year	3,132,103	4,431,184
<b>General fund brought forward</b>	<u>16,077,670</u>	<u>11,646,486</u>
<b>General fund carried forward</b>	<u>19,209,773</u>	<u>16,077,670</u>

**CONSOLIDATED STATEMENT OF INCOME AND GENERAL FUND - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 HK\$	2015 HK\$
<b>Details of expenditure</b>		
Accounting fee	4,000	25,000
Advertisement	-	10,700
Amortisation of goodwill	126,942	126,942
Audit fee	85,500	86,000
Bank Charges	18,771	17,221
Building management fee	107,375	96,104
Business registration fee	6,985	6,220
Company secretarial fees	-	3,355
Consumables and minor purchases	98,074	114,828
Depreciation	880,616	302,377
Electricity	53,316	46,955
Exchange loss	4,692	124,745
Expenditure on sale of raffle tickets	73,036	52,709
Insurance	10,438	40,469
Internet charge	88,709	67,122
Loss on disposal of property, plant and equipment	-	40,494
Legal fee	750,400	-
Mandatory provident fund	209,472	191,036
Motor vehicle running expenses	85,664	79,293
Newspapers and magazines	30,034	7,633
Operating lease charges on property rental	16,682	99,233
Organisation Enterprise and Development Committee expenses	-	250,519
Photocopying and film	98,141	54,923
Postage	4,210	5,640
Printing, stationery and typing	26,713	13,188
Project and activity expenses	6,258,854	5,311,043
Property agency fee	-	67,300
Provision for bad and doubtful debts	11,045	34,595
Rates	37,369	32,246
Repairs and maintenance	97,368	64,338
Recruitment cost	6,720	12,900
Salaries and related costs	4,788,258	4,533,067
Storage expenses	55,009	47,018
Subsidy to councillor offices	459,805	409,389
Subsidy for district development	3,247,640	1,893,966
Sundry expenses	97,189	45,532
Telephone and fax fee	74,871	72,567
Local travelling and transportation expenses	40,586	45,516
	<u>17,954,484</u>	<u>14,432,183</u>


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The notes on pages 8 to 18 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2016**

	Notes	2016 HK\$	2015 HK\$
<b>Non-current assets</b>			
Property, plant and equipment	7	10,665,157	9,533,669
Goodwill	9	888,592	1,015,534
		<u>11,553,749</u>	<u>10,549,203</u>
<b>Current assets</b>			
Loan receivables - current portion		671,505	74,100
Other receivables, deposits and prepayments	10	4,756,413	2,117,725
Cash and cash equivalents	11	8,335,857	9,662,430
		<u>13,763,775</u>	<u>11,854,255</u>
<b>Current liabilities</b>			
Accruals and other payables	12	2,657,853	2,875,890
<b>Net current assets</b>		<u>11,105,922</u>	<u>8,978,365</u>
<b>Total assets less current liabilities</b>		<u>22,659,671</u>	<u>19,527,568</u>
<b>Non-current liabilities</b>			
Non-interest bearing borrowings	13	3,449,898	3,449,898
<b>Net assets</b>		<u>19,209,773</u>	<u>16,077,670</u>
<b>Represented by:</b>			
<b>General fund</b>		<u>19,209,773</u>	<u>16,077,670</u>

Approved by:


  
 Chairman


  
 Honorary Treasurer



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 HK\$	2015 HK\$
<b>Operating activities</b>			
Surplus for the year		3,132,103	4,431,184
Adjustments for:			
Interest income		(9,576)	(141,024)
Provision for bad and doubtful debts		11,045	34,595
Depreciation		880,616	302,377
Amortisation of goodwill		126,942	126,942
Loss on disposal of property, plant and equipment		-	40,494
<b>Operating surplus before changes in working capital</b>		<b>4,141,130</b>	<b>4,794,568</b>
(Increase)/decrease in loan receivables		(597,405)	88,050
Increase in other receivables, deposits and prepayments		(2,671,269)	(1,686,837)
(Decrease)/increase in accruals and other payables		(218,037)	1,317,238
Decrease in loan from a Central Committee member		-	(1,000,000)
<b>Net cash generated from operating activities</b>		<b>654,419</b>	<b>3,513,019</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(2,012,104)	(7,683,035)
Proceeds from disposal of property, plant and equipment		-	200
Interest received		31,112	185,752
Decrease in fixed deposits with maturity after 3 months		-	2,500,000
<b>Net cash used in investing activities</b>		<b>(1,980,992)</b>	<b>(4,997,083)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,326,573)</b>	<b>(1,484,064)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,662,430</b>	<b>11,146,494</b>
<b>Cash and cash equivalents at the end of the year</b>	11	<b>8,335,857</b>	<b>9,662,430</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**1 GENERAL**

The Democratic Party ("The Party") has been incorporated in Hong Kong under the Companies Ordinance as a company limited by guarantee without share capital. The Party's registered office and principal place of operation is located at 4th Floor, Hanley House, 776 - 778 Nathan Road, Kowloon, Hong Kong. The Party has been established as a Political Party in Hong Kong. Under the provision of its Articles of Association, every member shall, in the event of the Party being wound up, contribute such amount as may be required to meet the liabilities of the Party but not exceeding the sum of HK\$10 each.

**2 SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation**

These consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

**(b) Basis of consolidation**

These consolidated financial statements incorporate the financial statements of the Party and its subsidiary. A subsidiary is an entity (including special purpose entity) over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally but not necessarily accompanying a shareholding of more than half of the voting power. The subsidiary is fully consolidated from the date on which control is transferred to the group and is de-consolidated from the date that control ceases.

All intragroup transactions, balances, income and expenses are eliminated. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group. There is no difference in the reporting date of the financial statements of the company and its subsidiary used in the preparation of the consolidated financial statements.

In the Party's statement of financial position, the investment in a subsidiary is stated at cost less provision for impairment loss. The results of the subsidiary are accounted for by the Party on the basis of dividends received and receivable.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(c) Goodwill**

Goodwill arising on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

Goodwill arising on acquisition is recognised in the consolidated statement of financial position as an asset, initially measured at cost and subsequently at cost less any accumulated amortisation and accumulated impairment losses. In the case of associates and jointly-controlled entities, goodwill is included in the carrying amount thereof, rather than as a separately identified asset in the consolidated statement of financial position. Goodwill is amortised on a straight-line basis over a period of ten years.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquirer's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

**(d) Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold land	the unexpired period of the lease
Buildings	4%
Leasehold improvement	4% - 20%
Furniture and fixtures	20%
Office equipment	20%
Motor vehicles	20%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016****2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(e) Impairment of non-financial assets, other than goodwill**

At each reporting date, property, plant and equipment and investment in a subsidiary are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

**(f) Operating leases**

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to consolidated statement of income and general fund as incurred over the lease term.

**(g) Recognition of revenue**

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

- \* donations are recognised when the right to receive payment is established.
- \* membership fee is recognized when the right to receive the fee is established.
- \* on the rendering of services, based on the stage of completion of the transaction, provided that this and the costs incurred as well as the estimated costs to completion can be measured reliably. The stage of completion of a transaction associated with the rendering of services is established by reference to costs incurred to date as compared to the total costs that would be incurred under the transaction.
- \* interest on a time proportion basis that takes into account the effective yield on the asset.

**(h) Employee benefits**

- i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- ii) The Group operates a Mandatory Provident Fund scheme ("MPF scheme") for the employees. Contributions are made based on a percentage of the employee's basic salaries and are charged to the income statement as they become payable. The assets of the MPF Scheme are held in an independently administered fund. The Group's contributions vest fully with the employees when contributed into the MPF Scheme.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016****2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)****(i) Related party**

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

**(j) Receivables**

Receivables are recognised initially at the transaction price. They 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, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

**(k) Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and on hand and demand deposits with original maturities of three months or less.

**(l) Payables**

Payables are recognised initially at the transaction price and 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.

**(m) Significant judgement**

In the process of applying the Group's accounting policies, judgements that can significantly affect the amounts recognised in the consolidated financial statements are made in determining:

- \* whether there is an indication of impairment of assets.
- \* the expected manner of recovery of the carrying amount of assets.
- \* whether the discount rates used to calculate the recoverable amount of assets are appropriate for the purpose of impairment review.

**(n) Foreign currency translation****i) Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "Functional Currency"). These consolidated financial statements are presented in Hong Kong dollars, which is the Group's functional and presentation currency.

**ii) Transactions and balances**

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income and general fund.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016****3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS****Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**(a) Property, plant and equipment and depreciation**

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated.

**(b) Impairment of non-financial assets, other than goodwill**

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment
- investment in subsidiary

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated statement of income and general fund whenever the carrying amount of an asset exceeds its recoverable amounts. If an indication of impairment is identified, the Group is required to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Changes in any of these estimates could result in a material change to the asset carrying amount in the consolidated financial statements.

**(c) Impairment test of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

**(d) Impairment loss for bad and doubtful debts**

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the loan and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the loan and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**4 EMPLOYEE BENEFIT EXPENSES**

The Group has employee benefit expense included in various expenditure. Details are as follows:

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Project and activity expenses	74,166	193,681
Salaries and allowances	4,788,258	4,533,067
Mandatory provident fund	209,472	191,036
	<u>5,071,896</u>	<u>4,917,784</u>

Analysis of the total employee benefit expenses is as follows:

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Salaries and allowances	4,823,729	4,704,719
Mandatory provident fund	211,472	194,681
Other benefit	36,695	18,384
	<u>5,071,896</u>	<u>4,917,784</u>

**5 CENTRAL COMMITTEE MEMBER'S EMOLUMENTS (EQUIVALENT TO KEY MANAGEMENT PERSONNEL COMPENSATION)**

During the years ended 31 March 2016 and 31 March 2015, no amounts have been paid in respect of Central Committee member's emoluments, Central Committee member's or past Central Committee member's pensions or for any compensation to Central Committee member or past Central Committee member in respect of loss of office.

**6 INCOME TAX EXPENSE**

No provision for Hong Kong profits tax is made in the financial statements as the Central Committee consider that the Group has no assessable profits.

Deferred taxation has not been provided in the financial statements as the Group has no Hong Kong profits tax liability.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**7 PROPERTY, PLANT AND EQUIPMENT**

	Leasehold land & buildings HK\$	Leasehold improvement HK\$	Office equipment HK\$	Motor vehicles HK\$	Total HK\$
<b>Cost:</b>					
At 1 April 2015	11,914,255	399,655	343,115	-	12,657,025
Additions	-	1,192,110	142,650	677,344	2,012,104
At 31 March 2016	<u>11,914,255</u>	<u>1,591,765</u>	<u>485,765</u>	<u>677,344</u>	<u>14,669,129</u>
<b>Accumulated depreciation and impairment:</b>					
At 1 April 2015	2,932,332	-	191,024	-	3,123,356
Charge for the year	350,360	318,353	76,434	135,469	880,616
At 31 March 2016	<u>3,282,692</u>	<u>318,353</u>	<u>267,458</u>	<u>135,469</u>	<u>4,003,972</u>
<b>Net book value:</b>					
At 31 March 2016	<u>8,631,563</u>	<u>1,273,412</u>	<u>218,307</u>	<u>541,875</u>	<u>10,665,157</u>
At 31 March 2015	<u>8,981,923</u>	<u>399,655</u>	<u>152,091</u>	<u>-</u>	<u>9,533,669</u>

The carrying amount of Group's leasehold land and buildings is analysed as follows:

	2016 HK\$	2015 HK\$
<b>Held in Hong Kong</b>		
Under long-term leases (over 50 years)	1,753,445	1,872,248
Under medium-term leases (10 - 50 years)	<u>6,878,118</u>	<u>7,109,675</u>
	<u>8,631,563</u>	<u>8,981,923</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**8 LOAN RECEIVABLES**

The balances represent loans to candidates of Legislative Council and District Council elections and are repayable by monthly instalments. No interest is charged and no security is provided.

Details of loans to Central Committee members included in loan receivables disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance are set out below:

Name of Borrower:	Li Wing Shing	Mok Kin Shing
Terms of the loans		
Duration and repayment terms:	On demand	On demand
Interest rate:	Free	Free
Security for the loan:	Unsecured	Unsecured
Balance of the loan		
At 1 April 2015	Nil	Nil
At 31 March 2016	HK\$ 21,800	HK\$ 38,400
Maximum debit balance outstanding during the year	HK\$ 25,000	HK\$ 40,000

Name of Borrower:	Yuen Hoi Man
Terms of the loans	
Duration and repayment terms:	On demand
Interest rate:	Free
Security for the loan:	Unsecured
Balance of the loan	
At 1 April 2015	Nil
At 31 March 2016	HK\$ 48,400
Maximum debit balance outstanding during the year	HK\$ 50,000

**9 GOODWILL**

	<b>HK\$</b>
<b>Cost</b>	
At 1 April 2015 and 31 March 2016	1,269,418
<b>Accumulated amortisation</b>	
At 1 April 2015	253,884
Amortisation of goodwill	126,942
At 31 March 2016	380,826
<b>Net carrying amount</b>	
At 31 March 2016	888,592

**10 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Deposit paid	30,227	555,802
Prepayments	76,811	89,303
Other receivables	4,649,375	1,472,620
	<u>4,756,413</u>	<u>2,117,725</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**11 CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Fixed deposits with maturities within 3 months	-	1,008,166
Cash at bank	8,329,402	8,649,650
Cash on hand	6,455	4,614
	<u>8,335,857</u>	<u>9,662,430</u>

**12 ACCRUALS AND OTHER PAYABLES**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Accruals	2,657,853	2,845,320
Other payables	-	30,570
	<u>2,657,853</u>	<u>2,875,890</u>

**13 NON-INTEREST BEARING BORROWINGS**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
Long-term loan from a Central Committee member	<u>3,449,898</u>	<u>3,449,898</u>

Long-term loan from a Central Committee member is unsecured, interest free and does not have a fixed term of repayment. However, the Central Committee do not anticipate that repayment will be demanded within one year from the year end date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**


**14 STATEMENT OF FINANCIAL POSITION OF THE PARTY**

**(a) Company-level statement of financial position**

	Notes	2016 HK\$	2015 HK\$
<b>Non-current assets</b>			
Property, plant and equipment		2,033,594	551,746
Interest in a subsidiary	14(b)	4	4
		<u>2,033,598</u>	<u>551,750</u>
<b>Current assets</b>			
Loan receivables - current portion		671,505	74,100
Other receivables, deposits and prepayments		12,023,976	9,383,038
Cash and cash equivalents		<u>7,920,477</u>	<u>9,483,004</u>
		<u>20,615,958</u>	<u>18,940,142</u>
<b>Current liabilities</b>			
Accruals and other payables		<u>2,642,294</u>	<u>2,862,894</u>
<b>Net current assets</b>		<u>17,973,664</u>	<u>16,077,248</u>
<b>Net assets</b>		<u>20,007,262</u>	<u>16,628,998</u>
<b>Represented by:</b>			
<b>General fund</b>	14(c)	<u>20,007,262</u>	<u>16,628,998</u>

Approved by:

  
Chairman

  
Honorary Treasurer

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**14 STATEMENT OF FINANCIAL POSITION OF THE PARTY (cont'd)**

**(b) Particulars of principal subsidiaries**

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital	Company's equity interest
Sound Factor Limited	Hong Kong	Holds leasehold land and buildings which has been leased to the Party as offices	800 ordinary shares	100%

**(c) Movement of general fund of the Party**

	<b>2016</b>	<b>2015</b>
	<b>HK\$</b>	<b>HK\$</b>
At the beginning of the year	16,628,998	11,885,369
Surplus for the year	<u>3,378,264</u>	<u>4,743,629</u>
At the end of the year	<u><u>20,007,262</u></u>	<u><u>16,628,998</u></u>

**15 APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Party's Central Committee on **13 OCT 2016**