

THE VINE COMMUNITY SERVICES LIMITED
DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

何凌李會計師事務所有限公司
HOOSANG, LYN, LI & CO. LTD.
CERTIFIED PUBLIC ACCOUNTANTS
HONG KONG

THE VINE COMMUNITY SERVICES LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting to members their annual report together with the audited financial statements of The Vine Community Services Limited ("the Company") for the year ended 30 September 2014.

Principal activities

The principal activities of the Company are to advance the Christian Gospel and to provide relief and assistance to the underprivileged in the community.

Results

The deficit of the Company for the year ended 30 September 2014 and the state of affairs of the Company at that date are set out in the financial statements on pages 4 to 13.

Funds

Details of the movements in funds during the year are set out in Note 11 to the financial statements.

Directors

The directors of the Company during the financial year and up to the date of this report were:

Roderick John Sewell
Clifford Po Wah Ma
Sean Wye Ann Seah

There being no provision in the Company's Articles of Association for the rotation, all directors continue in office.

Directors' interest

There were no contracts of significance to which the Company or its holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the year.

Auditors

Hoosang, Lyn, Li & Co. Ltd. retire and, being eligible, offer themselves for re-appointment.

A resolution for the re-appointment of Hoosang, Lyn, Li & Co. Ltd. as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board


Chairman

HONG KONG, 24 APR 2015

何凌李會計師事務所有限公司

HOOSANG, LYN, LI & CO. LTD.

Certified Public Accountants

10th Floor, Chun Wo Commercial Centre, No. 23-29 Wing Wo Street, Central, Hong Kong.

香港中環永和街 23-29 號俊和商業中心十樓

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE VINE COMMUNITY SERVICES LIMITED

(Incorporated in Hong Kong as a non-private company limited by guarantee)

Report on the Financial Statements

We have audited the financial statements of The Vine Community Services Limited ("the Company") set out on pages 4 to 13, which comprise the statement of financial position as at 30 September 2014, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standards 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 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 80 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for 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 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.

何凌李會計師事務所有限公司

HOOSANG, LYN, LI & CO. LTD.

Certified Public Accountants

10th Floor, Chun Wo Commercial Centre, No. 23-29 Wing Wo Street, Central, Hong Kong.

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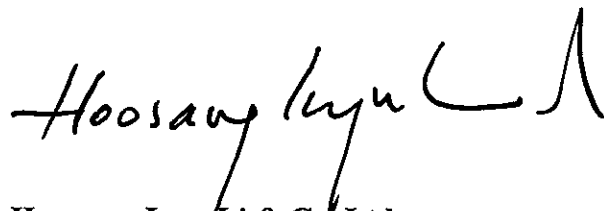
INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF THE VINE COMMUNITY SERVICES LIMITED

(Incorporated in Hong Kong as a non-private company limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2014 and of its deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Hoosang, Lyn, Li & Co. Ltd.
Certified Public Accountants
Hong Kong, 24 APR 2015

Kam Ka Woo, Annie
Practising Certificate Number P03098

THE VINE COMMUNITY SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

		2014	2013
		HK\$	HK\$
	<u>Note</u>		
Revenue	3	4,751,082	1,485,891
Other income	4	3	6
Administrative and general expenses		(4,882,658)	(1,048,833)
(Deficit)/surplus before taxation	5	<u>(131,573)</u>	<u>437,064</u>
Income tax	8	-	-
(Deficit)/surplus and total comprehensive income for the year		<u><u>(131,573)</u></u>	<u><u>437,064</u></u>

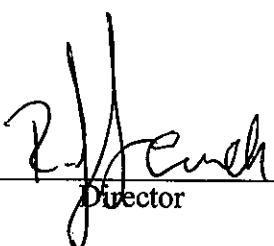
The notes on pages 8 to 13 form part of these financial statements.

THE VINE COMMUNITY SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2014

	<u>Note</u>	2014 HK\$	2013 HK\$
ASSETS			
Current assets			
Bank balance and cash		111,200	413,103
Accounts receivable		10,753	27,241
Deposits, prepayments and other receivable		39,022	3,000
Amount due from holding company	9	113,164	-
		274,139	443,344
Non-current assets			
Property, plant and equipment	10	35,632	-
		35,632	-
Total assets		309,771	443,344
LIABILITIES			
Current liabilities			
Other payables and accruals		14,500	16,500
Total liabilities		14,500	16,500
FUNDS			
Accumulated funds	11	295,271	426,844
Total funds		295,271	426,844
Total liabilities and funds		309,771	443,344

Approved and authorised for issue by the Board of directors on **24 APR 2015**


 Director


 Director

The notes on pages 8 to 13 form part of these financial statements.

THE VINE COMMUNITY SERVICES LIMITED**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Accumulated funds HK\$
At 1 October 2012	(10,220)
Surplus and total comprehensive income for the year	437,064
At 30 September 2013	<u>426,844</u>
Deficit and total comprehensive income for the year	(131,573)
At 30 September 2014	<u><u>295,271</u></u>

The notes on pages 8 to 13 form part of these financial statements.

THE VINE COMMUNITY SERVICES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	2014 HK\$	2013 HK\$
Cash flows from operating activities		
(Deficit)/surplus for the year	(131,573)	437,064
Adjustments for non-cash income and expenses:		
Depreciation	17,816	-
Changes in working capital :		
Decrease/(increase) in account receivables	16,488	(10,011)
Increase in deposits, prepayments and other receivables	(36,022)	(20,230)
Increase in amount due from holding company	(113,164)	-
(Decrease)/increase in other payables and accruals	(2,000)	9,000
(Decrease) in amount due to holding company	-	(2,720)
Net cash (used in)/generated from operating activities	<u>(248,455)</u>	<u>413,103</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(53,448)	-
Net cash (used in) investing activities	<u>(53,448)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(301,903)	413,103
Cash and cash equivalents at beginning of year	413,103	-
Cash and cash equivalents at end of year	<u><u>111,200</u></u>	<u><u>413,103</u></u>
Analysis of cash and cash equivalents		
Cash at banks and on hand	<u><u>111,200</u></u>	<u><u>413,103</u></u>

The notes on pages 8 to 13 form part of these financial statements.

THE VINE COMMUNITY SERVICES LIMITED**ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014****1 General information**

The Vine Community Services Limited ("the Company") was incorporated under the laws of Hong Kong as a non-private company limited by guarantee and not having a share capital. The registered office of the Company is located at 29 Burrows Street, Wanchai, Hong Kong. In the opinion of the directors, the ultimate holding company is The Vine Church Limited, a company incorporated in Hong Kong.

Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member, or within one year afterwards, such amount as may be required not exceeding one hundred dollars.

The Company is a non-profit making organisation and its activities are to advance the Christian Gospel and to provide relief and assistance to the underprivileged in the community.

The financial statements are prepared in Hong Kong dollars which is the functional currency of the Company.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

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

The preparation of financial statements in conformity with HKFRS for Private Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policy. In the opinion of directors, there are no areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements.

2.2 Foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the end of reporting date. Exchange gains and losses are recognised in surplus or deficit.

THE VINE COMMUNITY SERVICES LIMITED**ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014****2 Summary of significant accounting policies (continued)****2.3 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental benefits to the Company. The carrying amounts of replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Property, plant and equipment with cost of HK\$4,999 or less is charged to surplus or deficit immediately during the year of purchase.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Furniture, fixtures and equipment 3-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the retirement or disposal are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised within "other gains/(losses) - net" in the statement of comprehensive income on the date of retirement or disposal.

2.4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant members and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Company where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Company or of any entity that is a related party of the Company.

THE VINE COMMUNITY SERVICES LIMITED**ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014****2 Summary of significant accounting policies (continued)****2.5 Trade and other receivables**

Trade and other receivables are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables.

2.6 Trade and other payables

Trade and other payables are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

2.8 Provisions and contingent liabilities

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

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

2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in surplus or deficit as follows:

i) General donations and offerings

Donations and offerings income are recognised when received from contributors.

ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

iii) other income

Other income is recognised as received.

THE VINE COMMUNITY SERVICES LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

3 Revenue

Revenue which is also the Company's turnover, represents general offerings and donations and fund raising activities received during the year. The category of revenue recognising during the year is as follow:

	2014 HK\$	2013 HK\$
General donation and offerings	591,891	335,549
Donation from holding company	2,723,191	-
Fund raising activities - net (Note 6)	1,436,000	1,150,342
	<u>4,751,082</u>	<u>1,485,891</u>

4 Other income

	2014 HK\$	2013 HK\$
Bank interest income	3	6
	<u>3</u>	<u>6</u>

5 (Deficit)/surplus before taxation

	2014 HK\$	2013 HK\$
(Deficit)/surplus before taxation is arrived at after charging (crediting):		
Auditors' remuneration	9,500	9,000
Staff costs:		
Wages and salaries	337,332	-
MPF	9,720	-
Bank overdraft interest	13	-
Bank interest income	(3)	(6)
	<u>(3)</u>	<u>(6)</u>

6 Fund raising activities - net income

<u>2014</u>	Income HK\$	Expenses HK\$	Net income/ (expenses) HK\$
Bikeathon	909,691	(30,179)	879,512
Opportunities Fund	350,600	(86,567)	264,033
Telema	262,184	(109,778)	152,406
Football	165,464	(24,400)	141,064
STOP	12,947	(13,962)	(1,015)
	<u>1,700,886</u>	<u>(264,886)</u>	<u>1,436,000</u>

THE VINE COMMUNITY SERVICES LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

6 Fund raising activities - net income (continued)

<u>2013</u>	Income HK\$	Expenses HK\$	Net income/ (expenses) HK\$
Bikeathon	1,050,947	(53,529)	997,418
Telema	280,591	(144,477)	136,114
Football	16,810	-	16,810
	<u>1,348,348</u>	<u>(198,006)</u>	<u>1,150,342</u>

7 Directors' remuneration

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

	2014 HK\$	2013 HK\$
Directors' fees	-	-
Other emoluments:		
Salaries and other benefits	-	-
	<u>-</u>	<u>-</u>

8 Taxation

The Company is a charitable institution within the meaning of Section 88 of the Inland Revenue Ordinance and accordingly, it is exempted from all Hong Kong taxes.

9 Amount due from holding company

The amount was unsecured, interest free and repayable on demand.

10 Property, plant and equipment

Cost	Furniture and equipment HK\$
Additions	53,448
At 30 September 2014	<u>53,448</u>
Accumulated depreciation	
Charge for the year	17,816
At 30 September 2014	<u>17,816</u>
Net book value	
At 30 September 2014	<u>35,632</u>
At 30 September 2013	<u>-</u>

THE VINE COMMUNITY SERVICES LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

11 Accumulated funds

	2014 HK\$	2013 HK\$
Balance at 1 October 2013	426,844	(10,220)
(Deficit)/surplus for the year	(131,573)	437,064
Balance at 30 September 2014	<u>295,271</u>	<u>426,844</u>

12 Related party transactions

In addition to the balances disclosed elsewhere in the financial statements, the Company also had the following transactions during the year in the normal course of business.

	2014 HK\$	2013 HK\$
i) Office utility and administrative charges paid to holding company	<u>2,229,530</u>	<u>1,016,667</u>
ii) Donation income received from holding company	<u>2,723,191</u>	<u>-</u>
iii) Key managerial staff remuneration - Salary	<u>124,425</u>	<u>-</u>

13 Comparative figure

The following comparative figures have been reclassified to conform to current year's presentation:

	Originally reported HK\$	Reclassification HK\$	As restated HK\$
Revenue	1,403,306	82,585	1,485,891
Other income - net	305,139	(305,133)	6
Administrative and general expenses	<u>(1,271,381)</u>	<u>222,548</u>	<u>(1,048,833)</u>

In prior year, fund raising activities income and expenses were shown separately in other income and administrative and general expenses. They were shown net under revenue in current year and accordingly comparative figures were reclassified. There were no effect on profit or loss on reclassification.