LUTHERAN PHILIP HOUSE LIMITED
- MA TAU WAI NURSERY SCHOOL

REPORTS AND ACCOUNTS
(As required by the Education Bureau)

YEAR ENDED 31 AUGUST 2016

Tam Cheung Lai Sheung & Co.
Certified Public Accountants (Practising)
譚張麗嫦會計師事務所

Name of School : LUTHERAN PHILIP HOUSE LIMITED – MA TAU WAI NURSERY SCHOOL

*[*Please delete whichever is inappropriate.]*

School type : * ~~KG~~ / KG-cum-CCC
* PEVS / ~~Non-PEVS~~
* CCCSS / ~~Non-CCCSS~~
* Rent Reimbursement / ~~Non-Rent Reimbursement~~

ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

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LUTHERAN PHILIP HOUSE LIMITED – MA TAU WAI NURSERY SCHOOL
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

SCHOOL SUPERVISOR'S CERTIFICATE

I, Wu Oi Kuen, hereby certify that the information and explanation given in Statements 1 to 7 forming the Accounts of Lutheran Philip House Limited – Ma Tau Wai Nursery School (the "Nursery") for the year ended 31 August 2016 are true and correct.

Signed _____

LUTHERAN PHILIP HOUSE
粵南信義會
腓 力 堂
馬頭圍幼兒學園
MA TAU WAI NURSERY SCHOOL
H K

Date 13 FEB 2017

Tam Cheung Lai Sheung & Co.
Certified Public Accountants - Practising
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INDEPENDENT AUDITOR'S REPORT
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016
LUTHERAN PHILIP HOUSE LIMITED
RE: MA TAU WAI NURSERY SCHOOL

Report on the Accounts

We have audited the accounts of Lutheran Philip House Limited – Ma Tau Wai Nursery School (the "Nursery") for the year ended 31 August 2016 set out in Statement 1 to 7, which have been prepared in accordance with the accounting requirements of the Education Bureau ("EDB").

Supervisor's responsibility for the accounts

The Supervisor of the Nursery is responsible for the preparation of the accounts that give a true and fair view in accordance with generally accepted accounting practice and the accounting requirement of the EDB, and for such internal control as the Supervisor determines is necessary to enable the preparation of the accounts 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 and to 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. 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 evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the supervisor, 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.

Room 906, Nathan Centre, 580G-K Nathan Road, Kowloon, Hong Kong.
香港九龍彌敦道580G-K號彌敦中心906室

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INDEPENDENT AUDITOR'S REPORT
ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016
LUTHERAN PHILIP HOUSE LIMITED
RE: MA TAU WAI NURSERY SCHOOL

Opinion

In our opinion:-

a) Except no opinion to comparative figure brought forward due to no special detail audit work conducted for the comparative figures as at 31 August 2015 and of its results for the accounting year then ended by the previous auditors Tam, Hui, Tse & Co, CPA Limited, in our opinion the accounts give a true and fair view of the state of the Nursery's affairs as at 31 August 2016 and of its results for the accounting year then ended; and

b) The Nursery has used the government subsidies in accordance with the rules and ambits as promulgated in the EDBC No. 6/2011 (in particular all KGs/KG-cum-CCCs joining PEVS shall not transfer the surplus, in whatever form, to any of their sponsoring bodies or other organizations), EDBC No. 3/2008, EDBC No. 2/2004, relevant letters, circulars, circular memoranda and guidelines (in particular the guiding principles on the scope of expenditure at Annex 4) issued by the Education Bureau.

Tam Cheung Lai Sheung & Co.

Tam Cheung Lai Sheung & Co.
Certified Public Accountants
Hong Kong, 13 February, 2017

Room 906, Nathan Centre, 580G-K Nathan Road, Kowloon, Hong Kong.
香港九龍彌敦道580G-K號彌敦中心906室

Statement 1

For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

School type : KG-cum-CCC
PEVS

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	$	Current Year $	Previous Year $	Remarks (or Notes)
INCOME				
School Fees				
- from parents	838,997.00		789,691.00	
- from PEVS	1,266,185.00		1,197,272.00	
- from Kindergarten and Child Care Centre Fee Remission Scheme	693,831.00		686,511.00	
Less : Fee Remission (financed by school)	-		-	
		2,799,013.00	2,673,474.00	
Subsidy received under the Child Care Centre Subsidy Scheme		54,148.50	37,983.00	Per Statement 3
Reimbursement of Government Rent			-	
Reimbursement of Rates		129,162.00	11,984.00	
Reimbursement of Rent		14,675.00	122,892.00	
Other Income **(Note 1)**		538,156.15	451,808.90	Per Statement 7 (item 5)
TOTAL INCOME (a)		3,535,154.65	3,298,141.90	
EXPENDITURE (Note 2)				
Salaries				
- Teaching Staff (including Principal)		1,918,302.37	1,847,747.28	
- Non-teaching Staff		878,890.31	791,739.30	
Employer's Contribution to Provident Fund Scheme				
- Teaching Staff (including Principal)		92,260.11	85,160.18	
- Non-teaching Staff		38,066.61	39,087.97	
Severance Pay/Long-service Pay				
- Teaching Staff (including Principal)				
- Non-teaching Staff				
Supervisor's Remuneration				
Government Rent				
Rates		14,675.00	11,608.30	
Rent		135,421.50	128,894.50	
Depreciation				Per Statement 7 (item 1)
- School Premises		-		
- Furniture/Equipment/Fixtures/Fittings		82,349.30	10,916.10	Including Statement 4
- Computer Hardware and Software		4,593.00	4,805.00	Including Statement 4
- Others		-		
Major Repairs and Maintenance (for items costing $8,000 or above each)		82,000.00	-	
Minor Repairs and Maintenance (for items costing below $8,000 each)		42,661.50	26,425.00	
Audit Fee		16,000.00	16,000.00	
Other Expenditure **(Note 3)**		390,983.15	448,576.17	Per Statement 7 (item 3)
TOTAL EXPENDITURE (b)		3,696,202.85	3,410,959.80	

(to be continued)

Statement 1

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

	$	Current Year $	Previous Year $	Remarks (or Notes)
Surplus/(Deficit) from the operation [(a) – (b)]		(161,048.20)	(112,817.90)	
Profit/(Loss) from Trading Operations **(Note 4)**		6,617.30	205.20	Per Statement 5
Donation Income **(Note 5)**		-	-	Per Statement 6
SURPLUS/(DEFICIT) FOR THE YEAR		(154,430.90)	(112,612.70)	
ACCUMULATED SURPLUS/(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR		604,783.33	717,396.03	
PRIOR YEAR ADJUSTMENT (Please specify the nature)				
TRANSFER TO/(FROM) RESERVE **(Note 6)**		(174,541.00)	-	Per Statement 7 (item 6)
ACCUMULATED SURPLUS/(DEFICIT) CARRIED FORWARD TO NEXT YEAR		624,893.43	604,783.33	

Note

1. Please provide breakdowns for "Other Income" in Statement 7.
2. Please observe the guiding principles on scope of expenditure at Annex 4.
3. Please provide breakdowns for "Other Expenditure" in Statement 7.
4. For KGs with trading operations such as sale of school items and provision of paid services, please provide details of such income and corresponding costs in Statement 5.
5. For KGs with donations received, please provide details of income from donation and corresponding expenditure in Statement 6.
6. Please specify the nature of surplus transfer to/(from) reserve e.g. school development for educational purpose in Statement 7.

Statement 2

For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

School type : KG-cum-CCC
PEVS

BALANCE SHEET AS AT 31 AUGUST 2016

	$	Current Year $	Previous Year $	Remarks (or Notes)
NON-CURRENT ASSETS				
Fixed assets	161,195.05		18,677.35	Per Statement 7 (item 1)
Other Non-Current Assets (please specify)				
TOTAL NON-CURRENT ASSETS		161,195.05	18,677.35	
CURRENT ASSETS				
Stock of Exercise Books, Stationery and Uniform	73,330.50		23,451.40	Per Statement 5
Sundry Debtors and Prepayments	246,264.87		149,770.10	
Rental & Utility Deposit	11,690.00		11,690.00	
Cash at bank and in hand	336,138.13		803,416.73	
Other Current Assets (please specify)				
TOTAL CURRENT ASSETS		667,423.50	988,328.23	
CURRENT LIABILITIES				
School Fees Received in Advance	138,810.50		156,963.70	
Bank Overdraft	-		-	
Sundry Creditors and Accrual	64,914.62		70,717.55	
Other Current Liabilities (please specify)				
TOTAL CURRENT LIABILITIES		203,725.12	227,681.25	
NET CURRENT ASSETS/(LIABILITIES)		463,698.38	760,646.98	
TOTAL ASSETS NET OF CURRENT LIABILITIES		624,893.43	779,324.33	

(to be continued)

Statement 2

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

	$	Current Year $	Previous Year $	Remarks (or Notes)
REPRESENTED BY :				
RESERVE (please specify)		-	-	
ACCUMULATED SURPLUS/(DEFICIT)	624,893.43		604,783.33	Per Statement 1
SURPLUS OF GRANT/SUBSIDIES FROM GOVERNMENT				
One-off School Development Grant for KGs under PEVS	-		174,541.00	Per Statement 4
		624,893.43	779,324.33	
LONG TERM LIABILITIES				
Bank Loan				
Other Long Term Liabilities (please specify)		-	-	
		624,893.43	779,324.33	

Statement 3

For KG-cum-CCCs receiving CCCSS

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

STATEMENT OF CHILD CARE CENTRE SUBSIDY SCHEME
FOR THE YEAR ENDED 31 AUGUST 2016

	Current Year $	Previous Year $	Remarks (or Notes)
INCOME			
Subsidy Received Under the Child Care Centre Subsidy Scheme :	54,148.50	37,983.00	Per Statement 1
EXPENDITURE			
Salary and Provident Fund			
Salaries excluding Allowances			
- Teaching Staff (including Principal)	235,615.00	236,845.00	
Employer's Contribution to Provident Fund Scheme			
- Teaching Staff (including Principal) serving groups or classes that count towards subsidy	12,738.75	10,884.20	
TOTAL SALARY AND PROVIDENT FUND	248,353.75	247,729.20	
SURPLUS/(DEFICIT) FOR THE YEAR	(194,205.25)	(209,746.20)	

Statement 4

For KGs/KG-cum-CCCs receiving One-off School Development Grant for Kindergartens under the PEVS

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

STATEMENT OF ONE-OFF SCHOOL DEVELOPMENT GRANT FOR KINDERGARTENS UNDER THE PEVS FOR THE YEAR ENDED 31 AUGUST 2016

	Current Year $	Previous Year $	Remarks (or Notes)
INCOME			
Grant Received		-	
EXPENDITURE			
(PLEASE SPECIFY)			
(1) Additions of Fixed Assets	174,500.00	-	
(2) Teaching consumables	41.00		
(3) Please specify			
(4) Please specify			
(5) Please specify			
(6) Please specify			
(7) Please specify			
(8) Please specify			
(9) Please specify			
(10) Please specify			
(11) Please specify			
(12) Please specify			
(13) Please specify			
(14) Please specify			
(15) Please specify			
TOTAL EXPENDITURE	174,541.00	-	
SURPLUS/(DEFICIT) FOR THE YEAR	(174,541.00)	-	
SURPLUS/(DEFICIT) BROUGHT FORWARD FROM PREVIOUS YEAR	174,541.00	174,541.00	
SURPLUS/(DEFICIT) CARRIED FORWARD TO NEXT YEAR OR AMOUNT TO BE CLAWED BACK BY EDB **(NOTE)**	-	174,541.00	Per Balance Sheet

Note

Any unspent amount as at 31 August 2016 or the date of closure/withdrawal/exclusion of the KG from the PEVS, whichever is earlier, should be returned to the Government of the HKSAR.

Statement 5

For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

STATEMENT OF TRADING OPERATIONS
FOR THE YEAR ENDED 31 AUGUST 2016

	A	B	C	D	E	F	G	H	I	J	K	L	V
	School Bus	Text Books	Exercise Books	School Uniform	School Bag(s)	Beddings	Activities outside regular school hours	Stationery	Teaching/ Learning Materials	Snack/Food/ Refreshment	Label etc.	Publication	Total
	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	(Notes 1 & 4)	
	$	$	$	$	$	$	$	$	$	$	$	$	$
Income (a)		58,653.20	27,934.00	25,581.00	2,835.50	4,925.00	-	-	3,745.50	-	1,822.00	-	125,496.20
Less: Cost of Sales (b)													
Opening Stock	-	-	2,706.20	12,913.00	4,118.20	3,192.00	-	-	-	-	522.00	-	23,451.40
Add : Purchases	-	95,469.60	27,315.10	27,501.00	6,000.00	3,480.00			7,104.30		1,888.00		168,758.00
Other Expenses (1) Please specify													-
Less : Closing Stock	-	36,334.60	5,719.70	17,679.00	7,400.20	1,807.00			3,756.00		634.00		73,330.50
	-	59,135.00	24,301.60	22,735.00	2,718.00	4,865.00	-	-	3,348.30	-	1,776.00	-	118,878.90
Profit/(Loss) for the year (c) = (a) - (b) (Transfer to Income and Expenditure Account)	-	(481.80)	3,632.40	2,846.00	117.50	60.00	-	-	397.20	-	46.00	-	6,617.30
Profit/(Loss) as a % of cost (c)/(b) (Notes 2 & 3)		-0.81%	14.95%	12.52%	4.32%	1.23%			11.86%		2.59%		5.57%

Note

1. Please state the description of the trading operations and put each activity under **SEPARATE** columns. Sale of textbooks should be shown as a separate activity.

2. The profit from the sale of exercise books, schools uniforms, stationery, equipment and other school items (other than textbooks) / provision of paid services should be limited to 15% of the cost price / total cost involved according to EDBC No.16/2013.

3. No profit would be generated from sale of textbooks. For details, please refer to EDBC No. 16/2013.

4. Any discount or block sum of money received from trading operators / suppliers should be entered into school accounts as an item of income.

Statement 6

For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

STATEMENT OF DONATION INCOME
FOR THE YEAR ENDED 31 AUGUST 2016

	Current Year $	Previous Year $	Remarks (or Notes)
DONATION INCOME	-	12,192.60	
EXPENDITURE			
(PLEASE SPECIFY)			
(1) Expenses on activities	-	4,200.00	
(2) Teaching consumables	-	4,242.60	
(3) Staff training	-	3,750.00	
(4) Please specify			
(5) Please specify			
(6) Please specify			
(7) Please specify			
(8) Please specify			
(9) Please specify			
(10) Please specify			
(11) Please specify			
(12) Please specify			
(13) Please specify			
(14) Please specify			
(15) Please specify			
TOTAL EXPENDITURE	-	12,192.60	
NET BALANCE (Transfer to Income and Expenditure Account)	-	-	Per Statement 1

LUTHERAN PHILIP HOUSE LIMITED – MA TAU WAI NURSERY SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. GENERAL INFORMATION

Lutheran Philip House limited – Ma Tau Wai Nursery School (the "Nursery") is a nursery operated in Hong Kong. Its business address is No. 115, 117 & 118, G/F., Magnolia House, Ma Tau Wai Estate, Kowloon, Hong Kong.

2. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

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

2.1 Basis of preparation

The accounts of the Nursery have been prepared in accordance with Hong King Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention.

The preparation of accounts in conformity with generally accepted accounting practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Nursery's accounting policies.

2.2 Plant and equipment

The plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Nursery and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income and expenditure during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Furniture, fixtures, equipment and decoration	25% - 33.33% per annum
Computer hardware and software	33.33% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

2. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (CONT'D)

2.3 Impairment of investments in non-financial assets

Assets that have an indefinite useful life or have not yet available for use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.4 Financial assets

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. These are classified as non-current assets. Loans and receivables are classified as 'receivables' and 'cash and cash equivalents' in the statement of financial position (Notes 2.6 and 2.7).

2.5 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises design costs, raw material, direct labor, other direct costs and related production overheads (based on normal operation capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.6 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is 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 assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of profit or loss and other comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss and other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (CONT'D)

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposited held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.8 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Employee benefits

Employee benefits represent short term employee benefits and contributions to defined contribution retirement plans.

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2.10 Revenue recognition

Revenue comprises the fair value of the school fee and other income received or receivable in the ordinary course of the Nursery's activities. Revenue is shown net of valued-added tax, returns, rebates and discounts.

The Nursery recognizes revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Nursery's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the income have been resolved. The Nursery bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) *Nursery services income*
Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(b) *Subventions, grants, subsidies and reimbursement*
On actual receipt basis.

(c) *Sales of goods*
When the significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainties remain regarding the consideration, associated costs or the possible return of goods

LUTHERAN PHILIP HOUSE LIMITED – MA TAU WAI NURSERY SCHOOL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (CONT'D)

2.10 Revenue recognition (cont'd)

(d) *Interest income*
Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Nursery reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized either as cash is collected or on a cost-recovery basis as conditions warrant.

2.11 Leases (as the lessee)

Operating lease
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There being no significant accounting estimates and judgements involving in the preparation of the accounts.

For KGs/KG-cum-CCCs (i) joining PEVS and/or (ii) receiving (a) CCCSS and/or (b) Rent Reimbursement

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

NOTES TO THE ACCOUNTS

1. FIXED ASSETS

	A School Premises $	B Furniture / Equipment / Fixtures/Fittings $	C Computer Hardware and Software $	D Others (Please specify) $	N Total $
At Cost					
Balance as at 01/09/2015	-	169,477.00	26,217.00		195,694.00
Add: Additions During the Year (Remark 1)	-	229,460.00	-		229,460.00
Less: Disposal During the Year	-	-	-	-	-
Balance as at 31/08/2016	-	398,937.00	26,217.00	-	425,154.00
Accumulated Depreciation					
Balance as at 01/09/2015	-	158,071.90	18,944.75	-	177,016.65
Add: Depreciation for the Year	-	82,349.30	4,593.00	-	86,942.30
Less: Depreciation for Disposed Items for the year	-	-	-	-	-
Balance as at 31/08/2016	-	240,421.20	23,537.75	-	263,958.95
Net Book Value					
Balance as at 01/09/2015 (beginning of the year)	-	11,405.10	7,272.25	-	18,677.35
Balance as at 31/08/2016 (end of the year)	-	158,515.80	2,679.25	-	161,195.05
Threshold amount (Remark 2)		3,000.00	3,000.00		
Depreciation rate (%)		33%	33%		

Remarks

(1) For all KGs/KG-cum-CCCs joining PEVS, details must be provided in Note 2 to the Accounts.

(2) Please provide the threshold amount (i.e. the amount where at or above which the relevant expenditure would be treated as fixed asset) for each type of assets.

(to be continued)

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

NOTES TO THE ACCOUNTS

2. DETAILS OF ADDITIONS OF FIXED ASSETS DURING 2015/2016

List of fixed assets by nature and item	Purchase/ commission date	Cost
		$
1 School Premises		
(1.1) Please specify		
(1.2) Please specify		
(1.3) Please specify		
	Total:	-
2 Furniture/equipment/fixtures/fittings		
(2.1) 檯椅一批	14/9/2015	5,110.00
(2.2) 學園裝修-SDG	9/11/2015	174,500.00
(2.3) 學園裝修-冷氣及櫃	9/11/2015	45,600.00
(2.4) 濾水器	23/11/2015	4,250.00
	Total:	229,460.00
3 Computer hardware & software		
(3.1) Please specify		
(3.2) Please specify		
(3.3) Please specify		
	Total:	-
4 Others (please specify)		
(4.1) Please specify		
(4.2) Please specify		
(4.3) Please specify		
	Total:	-

(Per Note 1 to the Accounts)

(to be continued)

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

NOTES TO THE ACCOUNTS

3. OTHER EXPENDITURE

	Current Year $		Previous Year $
	Local Curriculum Classes	Non-Local Curriculum Classes	Total
Expenses on meal preparation	153,778.80		146,544.17
Furniture and equipment and teaching aids other than those included in the fixed assets	17,057.10		19,562.30
Water	1,656.60		2,830.30
Electricity	46,312.00		48,389.00
Telephone, fax line and internet service charges	8,960.00		9,943.00
Cleaning	20,678.00		25,375.10
Printing and stationery	25,324.45		43,555.00
Teaching consumables	8,337.70		13,436.60
Insurance	13,855.30		14,396.90
First aid and fire safety equipment	10,745.80		12,692.70
Transportation fees for school administration purposes	842.20		12,562.10
Expenses on regular learning activities for all students	63,109.80		78,657.80
Postage	409.40		327.20
Publications for school use	-		-
Student handbooks, profiles, graduation certificates and identity cards	2,500.00		-
Advertisement	7,012.00		5,540.00
Bank interest	-		-
Bank charges	4,804.00		5,414.00
Newspapers and magazines	-		-
Others			
(1) Professional fee	3,400.00		3,400.00
(2) Staff training	-		3,750.00
(3) MPFA periodic fee	1,200.00		1,200.00
(4) Sundry Expenses	1,000.00		1,000.00
	390,983.15	-	448,576.17

(to be continued)

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

NOTES TO THE ACCOUNTS

4. RELATED PARTY TRANSACTION(S)

	Current Year	Previous Year
	$	$
Amount due from related party(ies)		
(1) Please specify		
(2) Please specify		
(3) Please specify		
Amount due to related party(ies)		
(1) Please specify		
(2) Please specify		
(3) Please specify		
Payment to related party(ies)		
(1) Please specify		
(2) Please specify		
(3) Please specify		
Receipt from related party(ies)		
(1) Please specify		
(2) Please specify		
(3) Please specify		

(to be continued)

Name of School : LUTHERAN PHILIP HOUSE MA TAU WAI NURSERY SCHOOL

NOTES TO THE ACCOUNTS

5. OTHER INCOME (Remark 3)

	Current Year $		Previous Year $
	Local Curriculum Classes	Non-Local Curriculum Classes	Total
Meal Charges	436,015.00		410,780.00
Application Fee / Registration Fee	5,000.00		5,400.00
Subsidies from School Sponsoring Body	-		-
Course Fee Refund to Teachers	-		-
Receipt from Designated Grants (e.g. Subsidy from the Environment and Conservation Fund)	46,075.00		12,192.60
Bank Interest Income	58.15		103.20
Insurance Compensation	-		-
Others			
(1) Other income	51,008.00		23,333.10
(2) Please specify			
(3) Please specify			
(4) Please specify			
	538,156.15	-	451,808.90

6. TRANSFER TO / (FROM) RESERVE (PLEASE SPECIFY)

	Current Year $		Previous Year $
	Local Curriculum Classes	Non-Local Curriculum Classes	Total
(1) One-off School Development Grant for KGs under	(174,541.00)		-
(2) Please specify			
(3) Please specify			
(4) Please specify			
	(174,541.00)	-	-

Remarks

(3) Income generated from trading operations, if any, should NOT be reported under "Other Income". The details of such income and corresponding costs should be provided in Statement 5.