

**YOUNG LIFE LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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Holy & Co., Certified Public Accountants (Practising) P05747  
Date: 12/8/19

**灝龍會計師事務所**

**HOLY & CO**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**(PRACTISING)**  
**HONG KONG**



**YOUNG LIFE LIMITED**  
**REPORT OF THE DIRECTORS**

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The directors submit to members their report and the audited financial statements for the year ended 30 September 2018.

**DIRECTORS**

The names of persons who were the director of the Company during the period beginning with the end of the financial year and ending on the date of this report are as follow:

BOYLE William Duncan  
POWELL Joshua Duke

**PRINCIPAL ACTIVITIES**

The Company's principal activities are set out in note 1(a) to the financial statements.

**PERMITTED INDEMNITY PROVISION**

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the company.

**BUSINESS REVIEW**

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

**EQUITY-LINKED AGREEMENTS**

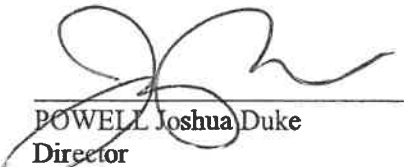
During the financial year, the Company entered into no equity-linked agreement.

At the end of the financial year, the Company subsisted of no equity-linked agreement.

**APPROVAL OF DIRECTORS' REPORT**

This report was approved by the directors on 8 JUN 2019.

On behalf of the board

  
POWELL Joshua Duke  
Director  
Hong Kong

**HOLY & CO**  
**CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)**  
**灝龍會計師事務所**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF YOUNG LIFE LIMITED**  
(Incorporated in Hong Kong limited by guarantee)

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**OPINION**

We have audited the financial statements of Young Life Limited ("the Company") set out on pages 4 to 9, which comprise the statement of financial position as at 30 September 2018 and the income statement the year ended 30 September 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on page 1 and the detailed income statement on page 10, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS**

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**HOLY & CO**  
**CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)**  
**灝龍會計師事務所**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF YOUNG LIFE LIMITED**  
(Incorporated in Hong Kong limited by guarantee)

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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



**Holy & Co**  
Certified Public Accountants (Practising)  
Room A, 11/F, Yam Tze Commercial Building  
23 Thomson Road, Wan Chai, Hong Kong  
Date: 30 JUN 2019

**YOUNG LIFE LIMITED  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

|                                      | Note | <u>2018</u><br>HK\$ | <u>2017</u><br>HK\$ |
|--------------------------------------|------|---------------------|---------------------|
| <b>REVENUE</b>                       | 3    | 3,470,454           | 3,695,135           |
| <b>OTHER INCOME</b>                  | 3    | 23                  | 9                   |
| <b>LESS: ADMINISTRATIVE EXPENSES</b> |      | (3,434,602)         | (3,505,439)         |
| <b>SURPLUS FOR THE YEAR</b>          | 4    | <u>126,875</u>      | <u>189,705</u>      |

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**YOUNG LIFE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018**

|                               | <u>Note</u> | <u>2018</u><br>HK\$ | <u>2017</u><br>HK\$ |
|-------------------------------|-------------|---------------------|---------------------|
| <b>NON-CURRENT ASSETS</b>     |             |                     |                     |
| Plant and equipment           | 7           | -                   | 3,800               |
| <b>CURRENT ASSETS</b>         |             |                     |                     |
| Deposits paid and prepayments |             | 271,677             | 221,212             |
| Cash and bank balances        |             | 1,330,633           | 1,089,312           |
|                               |             | 1,602,310           | 1,310,524           |
| <b>CURRENT LIABILITIES</b>    |             |                     |                     |
| Accruals                      |             | 171,605             | 4,500               |
| Amount due to directors       | 8           | 55,666              | 61,660              |
|                               |             | (227,271)           | (66,160)            |
| <b>NET CURRENT ASSETS</b>     |             | 1,375,039           | 1,244,364           |
| <b>NET ASSETS</b>             |             | 1,375,039           | 1,248,164           |
| <b>ACCUMULATED SURPLUS</b>    |             | 1,375,039           | 1,248,164           |
|                               |             | 1,375,039           | 1,248,164           |

Approved on behalf of the Board by:

  
 Director

  
 Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

**YOUNG LIFE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**1. GENERAL INFORMATION**

**(a) Corporation information**

Young Life Limited is a company incorporated in Hong Kong under the Hong Kong Companies Ordinance as a company limited by guarantee without a share capital. Every member of the Association undertakes to contribute to the assets of the Company if required in the event of its being wound up such amounts not exceeding HK\$100.

The company is a charitable organisation engaged to introduce kids to Jesus Christ and help them grow in their faith. The address of its registered office is located at 22/F, Siu On Building, 243-245 Des Voeux Road West, Hong Kong. The financial statements are presented in Hong Kong Dollars, which is the same as functional currency of the company.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**(a) STATEMENT OF COMPLIANCE AND BASIS OF MEASUREMENT**

These financial statements comply with all applicable sections of SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern. The measurement bases adopted is the historical cost convention.

The Company qualifies for the reporting exemption as a small guarantee company under sections 359(1) (a) and 363 of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with SME-FRS. The financial statements have been prepared in accordance with SME-FRS.

**(b) SIGNIFICANT ACCOUNTING POLICIES**

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

**REVENUE**

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

- i) Donations received are recognised in the financial year of receipts.
- ii) Interest income is recognised as it accrues using the effective interest method.

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

|                  |     |
|------------------|-----|
| Office equipment | 20% |
|------------------|-----|



**YOUNG LIFE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

**(b) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**IMPAIRMENT OF ASSETS**

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

**RELATED PARTIES**

For the purposes of these financial statements, parties are considered to be related 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 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.

**EMPLOYEE BENEFIT OBLIGATIONS**

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.

**3. REVENUE AND OTHER INCOME**

An analysis of the company's revenue is as follows:

|                      | <u>2018</u><br>HK\$ | <u>2017</u><br>HK\$ |
|----------------------|---------------------|---------------------|
| Revenue              |                     |                     |
| Donation income      | 2,907,116           | 3,008,633           |
| Activity income      | 563,338             | 686,502             |
|                      | <u>3,470,454</u>    | <u>3,695,135</u>    |
| Other income         |                     |                     |
| Bank interest income | 23                  | 9                   |
|                      | <u>3,470,477</u>    | <u>3,695,144</u>    |

**YOUNG LIFE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**4. SURPLUS FOR THE YEAR**

Surplus is arrived at after charging:

|   | <u>2018</u>    | <u>2017</u>    |
|---|----------------|----------------|
|   | HK\$           | HK\$           |
| Depreciation                                    | 3,800          | 3,800          |
| Staff costs (including directors' remuneration) | <u>922,550</u> | <u>620,100</u> |

**5. INCOME TAX**

The company is an approved charitable institution and is exempted from Hong Kong profits tax under section 88 of the Inland Revenue Ordinance.

**6. DIRECTORS' REMUNERATION**

Remuneration of the directors (including former directors and shadow directors) of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are HK\$nil (2017:HK\$nil).

**7. PLANT AND EQUIPMENT**

|                                  | <u>Office<br/>equipment</u> | <u>Total</u>  |
|----------------------------------|-----------------------------|---------------|
|                                  | HK\$                        | HK\$          |
| <b>Cost:</b>                     |                             |               |
| At 1 October 2017                | 19,000                      | 19,000        |
| At 30 September 2018             | <u>19,000</u>               | <u>19,000</u> |
| <b>Accumulated depreciation:</b> |                             |               |
| At 1 October 2017                | 15,200                      | 15,200        |
| Charge for the year              | 3,800                       | 3,800         |
| At 30 September 2018             | <u>19,000</u>               | <u>19,000</u> |
| <b>Net book value:</b>           |                             |               |
| At 30 September 2018             | <u>-</u>                    | <u>-</u>      |
| At 30 September 2017             | <u>3,800</u>                | <u>3,800</u>  |

**8. AMOUNT DUE TO DIRECTORS**

The amount due is unsecured, interest free and repayable on demand.

**9. CHANGES IN ACCUMULATED FUND**

|                                 | HK\$             |
|---------------------------------|------------------|
| Balance as at 30 September 2017 | 1,248,164        |
| Profit for the year             | <u>126,875</u>   |
| Balance as at 30 September 2018 | <u>1,375,039</u> |

**YOUNG LIFE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**10. COMMITMENTS UNDER OPERATING LEASES**

The company had the following total future minimum lease payments payable under non-cancellable operating leases:

|                         | <u>2018</u><br>HK\$ | <u>2017</u><br>HK\$ |
|-------------------------|---------------------|---------------------|
| Not later than one year | 316,848             | 316,848             |
| Later than one year     | 211,232             | 211,232             |
|                         | <u>528,080</u>      | <u>528,080</u>      |

**11. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the company's Board of Directors on

30 JUN 2019

