

HONG KONG UNISON LIMITED

香港融樂會有限公司

(Company Limited by Guarantee and not having a Share Capital)

**REPORT OF THE EXECUTIVE COMMITTEE
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31ST MARCH, 2008

REPORT OF THE EXECUTIVE COMMITTEE

TO THE MEMBERS OF HONG KONG UNISON LIMITED “the Association” 香港融樂會有限公司
(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

The Executive Committee is pleased to submit its report together with the audited financial statements for the period from 1st April 2007 to 31 March 2008.

Principal Activities

This year, our principal activities have centered on :

- 1) providing social services and assist ethnic minority to participate in Hong Kong society.
- 2) Advocating for the enactment of a proper racial discrimination bill
- 3) Advocating quality education for ethnic minorities by introduction of Chinese as a second language policy and an integrated school environment policy
- 4) promoting racial harmony and equality at schools and community

Activities Report

Forward

For ethnic minority (“EM”) communities in Hong Kong, 2008 is a year with joy and gratitude. The long-awaited Race Discrimination Bill (“Bill”) was passed. The Administration in general is becoming more aware of EM needs, resulting in their better access to public services. On education front, the eight UGC-funded tertiary institutions have accepted British GCSE Chinese examination as an entrance requirement for their undergraduate programmes.

Despite the above development, the situation is still far from ideal. Compared to their Chinese counterparts, EM residents in general find themselves in a disadvantageous position. For Hong Kong to achieve genuine racial equality and harmony there is still a long way to go. We will continue our work to empower next generation EM to integrate with the mainstream society and break the poverty cycle through equal access to education and public services.

1. Legislation against Racial Discrimination

Since our establishment in 2001, we have been advocating for the enactment of legislation against racial discrimination. The July passing of the Race Discrimination Bill (“Bill”) was long over-due. Despite its major flaws, it still serves as a cornerstone for basic protection of EM from direct discrimination.

During the past year, we work very hard for a better Bill. Letters and submissions were sent to the Legislation Council (“LegCo”) and we also attended its hearings. Besides law makers, we also lobbied policy makers including government officials and members of ExCo. To enhance support for a better Bill, we organized EM groups, NGOs and other concern groups for joint actions. On 1 July about 100 EM youth joined the annual protest, calling for a better anti-racial discrimination law and quality education.

In addition, we managed to bring the issue to the international society through UN mechanism. During this February and August, Our Executive Director (now Campaign Director) Fermi Wong made two trips to Geneva, together with LegCo members, scholars and representatives from other concern groups. Members of the Committee on the Elimination of Racial Discrimination (“CERD”) were briefed on the need for amendments to the Bill and the problem of racial discrimination in Hong Kong. We found these trips a success as the CERD did voice out their concern on the Bill and amendments were tabled to LegCo after the February visit. One of the amendment specifically stated “the Ordinance binds the Government”.

Responding to Hong Kong peoples’ demand for a fair Bill, the LegCo voted down the language exemption contained in the Bill. However, the legislation passed still does not bind the Government as fully as other three Discrimination Ordinances, namely, Government functions and power, in areas such as police, taxation, school places allocation policies.

In future, we will continue monitoring the Government in its enactment of the Racial Discrimination Ordinance (“Ordinance”), pressing for further amendments. Furthermore, as the Government is committed to publish administrative guideline in relation to racial equality, we would follow its progress and ensure its contents are in compliance with the Ordinance and conducive to rights and benefits of EM in Hong Kong.

2. Code of Practice

As the enforcement body of the Ordinance, the Equal Opportunities Commission (“EOC”) has published the Code of Practice (“COP”) on employment for public consultation this October. We are concerned about ambiguity and omissions in the COP draft. For example, it does not specify employer’s obligations in relation to use of language. Its wording and approach could also convey wrong message to the public that the Code is not significant and failure to observe it will bear little consequences.

A press conference was jointly held with other concern groups in late November. A written submission was also sent to the EOC, calling for the amendment of COP. Besides employment, provision of education services is another area which the Ordinance serves to protect. The EOC also needs to provide a COP on this. We will follow the issue to ensure EM students have better protection on their rights.

3. Elementary and Tertiary Education

After years of sustained effort, we are glad to inform that the eight UGC-funded tertiary institutions finally accept British GSCE (Chinese) as an entrance qualification for their undergraduate degree courses. This has cleared one of the major hurdles faced by EM students in pursuing university education.

In relation to the Chinese Language learning for EM students, the Education Bureau has acknowledged the need of an alternative Chinese curriculum and a supplementary guideline was published in November after consultation. We have submitted our opinions to the Bureau and some of our proposals were adopted and included into the guideline. For instance, funding was provided to local universities to conduct teachers’ training for primary and secondary schools. Courses have also been provided to EM students to enhance their Chinese proficiency. In addition, the number of designated schools will be increased from 19 to 25 and the subsidies provided to these schools would be made recurrent.

In spite of all these progress, EM students are still in a difficult position. First of all, a comprehensive and tailor-made education policy is urgently required for EM students. Secondly, an independent and alternative curriculum is needed for Chinese teaching, together with supporting textbooks and teaching materials. Thirdly, those mainstream schools admitting EM students needs more support from the Government. Otherwise it will be very difficult for them to look after specific needs of EM students.

It is against this background that we have to continue to work hard for equal opportunities and quality education to EM students. Taking into account that education is their means to break the poverty cycle, it should remain as one of the most important areas of our work.

4. Vocational Education and Training

Thanks to the effort from Hong Kong Institute of Vocational Education (“IVE”), EM school leavers now have more options after finishing Form Five. Besides the two Foundation Diploma courses (Business and Hospitality) started in September 2006, a new Diploma of Business commenced in this September, whereas a Certificate Vocational Study course was also provided to EM students who finished Form Three or new arrivals.

As one of our major working partners, we have maintained a good relationship with IVE. At one hand, we continued to participate in the student recruitment and interview process; on the other hand, we manage to find some funding and scholarships to support those students with excellent performance.

Apart from those long-term award-bearing courses, the Vocational Training Council committed to provide short-term vocational training courses on six areas, for example, Beauty Care, Bartending Operations, Fundamental

Vehicle Servicing etc. In addition, the Employment Retraining Board ("ERB") also plans to provide tailor-made courses for EM residents. Focus groups were held where we have been invited to be one of the participants, giving advice on training needs of EM residents.

Regardless of all these developments, we still find the situation far from satisfactory. Options provided to EM school leavers are still very limited. Besides, the Government needs to provide Yi-Ji courses in English, to allow EM school leavers to taking this route to further their studies and apply for Government jobs such as Police and Fireman, etc. In addition, training quota provided by ERB needs to be increased to satisfy the demand by EM people.

5. Access to Public Services

The debate on anti-racial discrimination has raised the awareness of the Administration on racial equality. In this year's Budget Speech, Mr. John Tsang, the Financial Secretary announced a number of measures to help EM better integrate into the society. This was the first time the Government mentioned EM services in the Budget. This showed an increasing awareness on the needs of EM residents, resulting in better access to public services.

For example, the Labour Department had provided an enquiry hotline specifically for EM residents. Pamphlets in different EM languages were prepared and distributed to introduce this new service.

One of the measures mentioned in the Budget Speech is the setting up of four regional support service centres for EM residents. Interpretation services would be provided to help EM residents using public services, whereas language training and other activities would also be conducted. In addition, the Hospital Authority also commissioned NGOs to provide its own interpretation services in public hospitals for EM residents. As language barrier is one of major obstacles in EM's daily lives, we welcome the introduction of all these services. However, we consider quality and professional standard of interpretation services as a matter of paramount importance. In fact, we have received numerous complaints on interpretation services provided to EM residents. To address our concern, we have sent written submission to the Constitutional and Mainland Affairs Bureau, calling for systematic training and a quality assurance mechanism. They were well received and some of our suggestions were included in the tendering requirement for running regional support service centres. For example, the Government agreed to provide centralized telephone interpretation services whereas EM residents only need to dial a telephone number for access to services.

6. Public Education on Racial Harmony

As students are future pillars of the society, we consider schools as an important strategic base for racial harmony education. In fact, this has been the fourth year that we have conducted racial harmony programs at schools. During the past year, we had served more than 30 mainstream schools admitting EM students. Through interactive drama performance, workshops and exhibitions, students learned about different EM culture and realized the importance of accepting people from different ethnic origins.

Besides students, our education activities also aimed at different professions and the general public. Last year we conducted a number of cultural sensitivity workshops and participants included members of police force, teachers, social workers, university students and officials from public bodies. A racial harmony carnival was organized in March and street exhibitions were held on different places. In general we found these activities successful as the public has gained more understanding on cultures and lives of EM residents.

With our limited resources, we considered mass media as another important partner in promoting racial harmony. During the past year, we worked hard to engage the media. Besides press conferences and briefings, we had articles published in local newspapers, drawing public attention on the issue of legislation against racial discrimination. In addition, we have assisted RTHK in its production of documentaries and dramas in relation to EM. On the whole, EM residents are becoming more visible on local media, with a wide range of content from hard issues such as racial discrimination and equality; and soft features like daily life experience, dreams, food, art, music and religion.

Thanks to the funding by Oxfam Hong Kong, a media campaign was launched in September. Posters with impressive artwork were shown in bus stations, calling for the clearance of barriers to EM students' Chinese Learning. We also emphasized the supports to frontline teachers who teach Chinese language subject. Generally speaking, we found the campaign successful as the public is increasingly aware the problems of EM students in learning Chinese.

7. Supportive Service and Empowerment

Since our establishment, casework has been an integral part of our activities. We consider it important as it directly helps to resolve problems and difficulties faced by EM residents. Rapport could also be built with EM communities through our industrious and quality work. Last year our colleagues have taken up a total of about 100 cases. Majority of cases are related to police, court, school places referral and job hunting.

In addition, a number of supportive services were also provided to EM students. About 30 talks were held to give advice on career and further studies. During summer, on-site consultation services were given to students upon release of HKCEE results.

Moreover, to encourage EM students pursuing further studies and ease their financial hardship; two scholarships were set up in this year thanks to the donation of Janet Wai; one of our members and long-time supporters; and Zonta Club of The New Territories. Janet established the scholarships in memory of her father, Mr. Yun Lin HU while Zonta Club of The New Territories established the scholarships in line with its commitment to enhance the status of women and care for the underprivileged. A total of nine students were awarded the scholarships to subsidize their studies in IVE or local universities.

With more funding and donations, we are pleased to announce two more scholarships would be set up, for students at IVE (Haking Wong) and primary schools.

Furthermore, financed by Air Cargo, we have commissioned Hong Kong Institute of Education to carry our language proficiency training for primary and kindergarten students. A total of 150 students from 14 schools are benefited.

We believe empowerment is as important as direct services for development of EM's potential. Funded by Sham Shui Po District Council, training was provided to EM youth on broadcasting skills of radio programmes. Among the participants, four were selected to host a radio programme named "Harmonious Teen Sky", broadcast on Metro Radio FM 99.7. We consider the experience is very precious to EM youth. Not only their voices could be heard on mass media, their self-confidence would also be enhanced through such fruitful participation.

In future, we are going to launch a youth volunteer project for local and EM youth. Through systematic training and organizing volunteer activities, we would like participants to explore their self-worth and build sense of belonging to their community.

8. Support from Donor and Volunteers

We would like to take this opportunity to express our gratitude to our donors and volunteers. Without their support, we could not have carried out our work for welfare and rights of EM communities in Hong Kong.

Thanks to the Air Cargo Community Charity Golf Day 2007, Oxfam Hong Kong, Nethersole Fund and Lee Hysan Foundation, we manage to carry out our advocacy and public education projects. Besides, our long-time supporter, Ms. Janet Wai, has provided us with the existing office space by renting her property at a nominal rent. Her generosity is greatly appreciated.

9. Administrative matters

With increasing resources, we manage to strengthen our manpower and we now have a total of 6 staff, compared to 3 at the end of last year. In addition, we are pleased to have Ms. Amy Ho, an experienced social service management professional, to join our team as our new Executive Director this summer. Meanwhile, our former Executive Director Ms. Fermi Wong had taken the post of Campaign Director, and she will concentrate her effort in advocacy work.

Executive Committee Members

The following are the Executive Committee Members of the Association for the year ended 31st March, 2008:

1. Mr. Rajkumar Tiwari (Chairperson)
2. Dr. Chong Ming Lin, Alice (Vice-Chairperson)
3. Dr. Wong Hung (Vice-Chairperson)
4. Ms. Cheng Po Wah (Hon-Treasurer)
5. Rev. Hans Lutz (Hon-Secretary)
6. Ms. Hung Sau Luen, Judy
7. Mr. Lai Kin Kwok
8. Mr. Law Yuk Kai
9. Ms. Julie Kathleen Richard
10. Mr. Keezhangatte James Joseph

At the forthcoming Annual General Meeting, all the Committee Members will retire in accordance with Article 40 of the Association's Articles of Association and, being eligible, offer themselves for re-election.

Interest in Contracts of the Association

None of the Executive Committee Member had, during or at the end of the year, an interest, directly or indirectly, in any contract of significance with the Association.

Audited Accounts

The results of the Association's operations for the year ended 31 March 2008 and the state of the Association's affairs at that date are set out in the accounts on pages 8 to 18

Membership

As at 22nd December 2008, there are 21 members (including 10 ExCo Members and 11 ordinary members)

Fixed Assets

Movements in fixed assets during the year are set out in Note 5 (page 15) to the accounts.

Auditors

CHANG LEUNG HUI & LI C.P.A. LIMITED, Certified Public Accountants, the Association's auditors, will retire at the conclusion of the forthcoming Annual General Meeting. Being eligible, they offer themselves for re-election.

BY ORDER OF
THE EXECUTIVE COMMITTEE



Rajkumar Tiwari
Chairperson

Dated: 22nd December, 2008

Chang Leung Hui & Li C.P.A. Limited

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TERENCE C. K. LEUNG FCCA, ACA, ACIS, CPA (Practising)
BILLY S. LI BA, CA (CANADA), CPA (Practising)
EDMOND C. K. LEUNG FCCA, ACIS, ATIHK, CPA (Practising)
S. Y. LUK ACA, FCCA, ACIS, ATIHK, CPA (Practising)
PAUL C. Y. TSI BSC, CA, ACA, CPA (Practising)

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HONORARY INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HONG KONG UNISON LIMITED "the Association"

香港融樂會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

We have audited the financial statements of the Association set out on pages 8 to 18, which comprise the balance sheet as at 31st March, 2008, and the income statement, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive Committees' responsibility for the financial statements

The executive committee are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with the agreed terms of the engagement, 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 as to 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Association's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committee, as well as evaluating the overall presentation of the financial statements.

HONORARY INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HONG KONG UNISON LIMITED "the Association"

香港融樂會有限公司

(Incorporated in Hong Kong and limited by guarantee and not having a share capital)

Auditors' responsibility (continued)

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31st March, 2008 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



CHANG LEUNG HUI & LI C.P.A. LIMITED
Certified Public Accountants

Terence Chi Kin Leung
Practising Certificate Number P789

HONG KONG, 22nd December, 2008

HONG KONG UNISON LIMITED

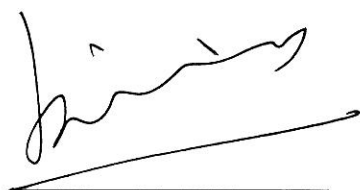
香港融樂會有限公司

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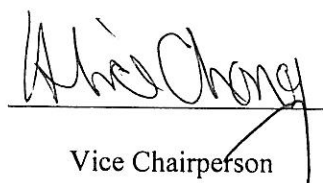
BALANCE SHEET AS AT 31ST MARCH, 2008

		2008	2007
	Note	HK\$	HK\$
Non-current assets			
Fixed assets	5	113,326	13,282
Current assets			
Deposits	6	5,000	-
Accounts receivable		-	5,004
Time deposit		1,200,000	-
Bank balances		<u>239,606</u>	<u>409,172</u>
		1,444,606	414,176
Less : Current liabilities			
Accrued expenses		44,573	4,773
Net current assets		<u>1,400,033</u>	<u>409,403</u>
Net assets		<u>1,513,359</u>	<u>422,685</u>
Represented by :			
General fund	7	355,552	279,645
Funds for specific purposes	8	1,157,807	143,040

Approved and authorised for issue by
the Executive Committee on 22nd December, 2008



Chairperson



Vice Chairperson

<u>1,513,359</u>	<u>422,685</u>
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HONG KONG UNISON LIMITED

香港融樂會有限公司

(Company Limited by Guarantee and not having a Share Capital)

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

		2008	2007
	Note	HK\$	HK\$
Income			
General donations		188,290	232,437
Membership subscription income		750	1,100
Other income		13,140	16,500
Bank interest income		5,526	152
		<u>207,706</u>	<u>250,189</u>
Less : Expenditure			
Accountancy Fee		18,000	-
Advertising		4,275	-
Bank charges		400	150
Building management fee		12,063	10,584
Depreciation	4(a) & 5	35,806	3,307
Donation		-	400
Electricity		7,909	8,917
Insurance		2,000	-
Postage		89	-
Printing and stationery		839	-
Programme costs		10,514	-
Provision for bad debts		-	12,000
Rental expenses		4,500	-
Repairs and maintenance		700	4,510
Staff costs			
- Staff salaries		21,000	1,850
- Mandatory provident fund contributed by employer		1,521	1,090
Subscription fee		500	-
Sundry expenses		11,284	5,222
Transportation		399	-
Travelling		-	870
		<u>131,799</u>	<u>48,900</u>
Surplus for the year transferred to general fund	7	<u>75,907</u>	<u>201,289</u>

HONG KONG UNISON LIMITED

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**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31ST MARCH, 2008**

	General fund	Funds for specific purposes	Total
	HK\$	HK\$	HK\$
Balance as at 1st April, 2006	78,356	286,188	364,544
Surplus from income statement	201,289	-	201,289
Amounts received during the year	-	765,788	765,788
Utilisation during the year	<u>-</u>	<u>(908,936)</u>	<u>(908,936)</u>
Balance as at 31st March, 2007	<u>279,645</u>	<u>143,040</u>	<u>422,685</u>
Balance as at 1st April, 2007	279,645	143,040	422,685
Surplus from income statement	75,907	1,043,997	1,119,904
Amounts received during the year	-	809,270	809,270
Utilisation during the year	<u>-</u>	<u>(838,500)</u>	<u>(838,500)</u>
Balance as at 31st March, 2008	<u>355,552</u>	<u>1,157,807</u>	<u>1,513,359</u>

HONG KONG UNISON LIMITED

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2008

	2008	2007
	HK\$	HK\$
Cash flows from operating activities		
Surplus for the year	75,907	201,289
Adjustments for :		
Depreciation charge	35,806	3,307
Interest received	(5,526)	(152)
	106,187	204,444
(Increase)/Decrease in :		
Deposits	(5,000)	-
Accounts receivable	5,004	43,941
Increase/(Decrease) in :		
Accrued expenses	39,800	(6,656)
Specific funds	1,014,767	(143,148)
Net cash generated from operating activities	<u>1,160,758</u>	<u>98,581</u>
Investing activities		
Interest received	5,526	152
Purchases of fixed assets	(135,850)	(1,300)
Net cash used by investing activities	<u>(130,324)</u>	<u>(1,148)</u>
Increase in cash and cash equivalents	1,030,434	97,433
Cash and cash equivalents at beginning of year	<u>409,172</u>	<u>311,739</u>
Cash and cash equivalents at end of year	<u>1,439,606</u>	<u>409,172</u>
Analysis of the balances of cash and cash equivalents		
Time deposit	1,200,000	-
Bank balances	239,606	409,172
	<u>1,439,606</u>	<u>409,172</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008

1. Legal status and general information

Hong Kong Unison Limited “the Association” is incorporated under the Hong Kong Companies Ordinance and is limited by guarantee. The registered office of the Association is at Room 1303, Wang Yip Industrial Building, 1 Elm Street, Tai Kok Tsui, Kowloon, Hong Kong.

The Association is a non-profit-making charitable organisation with aims to :

- 1) Promote humanitarianism based on racial equality.
- 2) Promote cross-racial-and-cultural understanding and communications.
- 3) Provide social services and assist ethnic minority residents to participate in Hong Kong society.
- 4) Promote equal access to social services regardless of race.
- 5) Form alliance with people of different races with common goals in order to encourage their participation in volunteer work.

Under the provisions of the Association’s Memorandum and Articles of Association, every member shall, in the event of the Association being wound up, contribute to the assets of the Association not exceeding HK\$10 each. At 31st March, 2008, the Association had 21 (2007 : 22) members.

2. Statement of compliance

Impact of new and revised Hong Kong Financial Reporting Standards

The Association has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements :

HKFRS 7	Financial Instruments : Disclosures
HKAS 1 Amendment	Capital Disclosures

The principal effects of adopting these new and revised HKFRSs are as follows :

(a) **HKFRS 7 Financial Instruments : Disclosures**

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Association’s financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Association, comparative information has been included/revised where appropriate.

(b) **Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures**

This amendment requires the Association to make disclosures that enable users of the financial statements to evaluate the Association’s objectives, policies and processes for managing capital. These new disclosures are shown in note 13 to the financial statements.

3. Basis of preparation of the financial statements

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

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008

4. Summary of significant accounting policies (continued)

(a) Fixed assets

Fixed assets represent property, plant and equipment and are stated in the balance sheet at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows :

Office equipment	20%
Leasehold improvement	25%

The residual value and the useful life of an asset are reviewed at least at each financial year-end.

The Association assesses at each reporting date whether there is any indication that any items of property, plant and equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the Association estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in the income statement.

Gain or loss arising from the derecognition of an item of property, plant and equipment is included in the income statement when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(b) Impairment

At each balance sheet date, Association reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2008**

4. Summary of significant accounting policies (continued)

(c) Revenue recognition

Revenue arising from transactions and events is recognised in the financial statements when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases :

- 1) Donations are recognised on cash basis;
- 2) Membership subscription income is recognised on cash basis.

(d) Employee benefits

Obligations for contributions to defined contribution retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred.

The Association's net obligation in respect of other long term employee benefits and lump sum long service amounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Termination benefits are recognised when, and only when, the Association demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(e) Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, bank overdrafts which are repayable on demand form an integral part of the Association's cash management are included as a component of cash and cash equivalents.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2008

5. Fixed assets

	Leasehold improvement HK\$	Office equipment HK\$	Total HK\$
2008			
Cost			
At 1.4.2007	-	17,296	17,296
Additions	103,530	32,320	135,850
At 31.3.2008	103,530	49,616	153,146
Less : Depreciation			
At 1.4.2007	-	4,014	4,014
Charge for the period	25,883	9,923	35,806
At 31.3.2008	25,883	13,937	39,820
Net book value			
As at 31.3.2008	77,647	35,679	113,326
2007			
Cost			
At 1.4.2006	-	15,996	15,996
Additions	-	1,300	1,300
At 31.3.2007	-	17,296	17,296
Less : Depreciation			
At 1.4.2006	-	707	707
Charge for the year	-	3,307	3,307
At 31.3.2007	-	4,014	4,014
Net book value			
As at 31.3.2007	-	13,282	13,282

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008

6. Accounts receivable

	2008	2007
	HK\$	HK\$
Balance as at 31st March	43,100	48,104
Less : Provision made	<u>43,100</u>	<u>43,100</u>
	<u>-</u>	<u>5,004</u>

Provision of HK\$43,100 represents outstanding re-imbursements of tuition fees from 12 students.

7. General fund

	2008	2007
	HK\$	HK\$
Balance as at 1st April	279,645	78,356
Surplus transferred from income statement	<u>75,907</u>	<u>201,289</u>
Balance as at 31st March	<u>355,552</u>	<u>279,645</u>

8. Funds for specific purposes

Movements of funds received for specific purposes during the year are as follows :

Name of project	Balance as at 1.4.2007	Receipts	Payments	Balance as at 31.3.2008
	HK\$	HK\$	HK\$	HK\$
IVE-Hospitality course	3,567	-	-	3,567
Advocacy of Equal Rights for Ethnic Minorities (Phase II and III)	31,970	586,010	588,640	29,340
Nethersole – Promotion of Racial Harmony & Diversity	107,503	200,000	211,554	95,949
International Day for Elimination of Racial Discrimination Carnival	-	23,260	38,306	(15,046)
Hong Kong Air Cargo - Ethnic Minorities Life Skills Enhancement and Racial Harmony Scheme	<u>-</u>	<u>1,043,997</u>	<u>-</u>	<u>1,043,997</u>
	<u>143,040</u>	<u>1,853,267</u>	<u>838,500</u>	<u>1,157,807</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008

9. Turnover

Turnover for the year comprises donations received and membership subscriptions totalling HK\$1,233,037 (2007 : HK\$233,537).

10. Taxation

No Hong Kong profits tax is provided for in the financial statements as the Association is an approved charitable organisation and exempt from profits tax.

11. Auditors' remuneration

The audit of these financial statements has been performed on an honorary basis.

12. Financial instruments by category

The Association's financial instruments include the following:

	2008 HK\$	2007 HK\$
Financial assets		
Accounts receivable	-	5,004
Time deposit	1,200,000	-
Bank balances	<u>239,606</u>	<u>409,172</u>
Loans and receivable	<u>1,439,606</u>	<u>414,176</u>
Financial liabilities		
Accrual expenses	<u>44,573</u>	<u>4,733</u>
Financial liabilities measured at amortised cost	<u>44,573</u>	<u>4,733</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2008

13. Financial risk management

The Association's principal financial instruments comprise time deposit and bank balances. The Association has no other material financial assets and liabilities.

The Association does not have any written risk management policies and guidelines. However, the executive committee generally adopts conservative strategies on its risk management and limit the Association's exposure to these risks to a minimum. The main risks and policies for managing each of these risks are summarised below :

(a) Market risks

i) Cash flow and interest rate risk

The executive committee considers that the Association's exposure to cash flow and interest rate risk is minimal.

ii) Currency risk

There was no exposure to foreign currency risk.

iii) Price risk

The executive committee considers that the Association has no exposure to commodity price risks.

(b) Credit risk

The executive committee considers that the credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit-rating agencies. As such, no significant credit risk is anticipated.

(c) Liquidity risk

In the management of liquidity risk, the executive committee monitors and maintains level of cash and cash equivalents deemed adequate to finance the Association's operations and mitigate the effects of fluctuation in cash flows.

(d) Fair value

Cash and cash equivalents, accrued expenses

At the balance sheet date, the carrying amounts of the Association's financial assets and liabilities approximated to their fair values due to their short term nature.

(e) Fund risk management

The Association's objectives when managing funds are to safeguard the Association's ability to continue as a going concern and to have sufficient funding for future operations. The Association's overall strategy remains unchanged from prior year.

The funds of the Association comprise general fund and funds for specific purposes.