



Variety - The Children's Charity
Hong Kong Limited

30 September 2018

Variety - The Children's Charity
Hong Kong Limited

Directors' Report

The directors submit herewith their annual report together with the audited financial statements for the year ended 30 September 2018.

Principal place of business

The company is incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 6th floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong.

Principal activities

The company is a charitable institution limited by guarantee to provide assistance and support to children in Hong Kong who are physically, mentally, socially or economically disadvantaged.

Directors

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

Hess, Donald James	
Mitchell, Lukas Michael	(resigned on 14 September 2018)
Lam, Wai Man Virginia	
Blurton, Daniel Stuart	
Loughnan, Kenneth Vincent	
Chan, Wai Ling	
Chow Wan Man	(resigned on 15 November 2018)
Lam, Mei Ling May	
Lai, Michele Pek Lian	(resigned on 10 November 2017)
Lam Wai Yee	
Kok, Chui Lai Joy	(appointed on 1 February 2018)
Ip, Wing Ting Wendy	(appointed on 15 November 2018)

Principal place of business

The company is incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 6th floor, Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong.

Principal activities

The company is a charitable institution limited by guarantee to provide assistance and support to children in Hong Kong who are physically, mentally, socially or economically disadvantaged.

Directors

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

Directors (continued)

LAM Wai Man Virginia, LOUGHNAN Kenneth Vincent and IP Wing Ting Wendy will retire from the board in accordance with Article 12.8 of the company's Articles of Association at the forthcoming Annual General Meeting ("AGM"). The retiring directors, being eligible, offer themselves for re-election.

At no time during the year was the company a party to any arrangement to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

Indemnity of directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the company is currently in force and was in force throughout this year.

Directors' interests in transactions, arrangements or contracts

No contract of significance to which the company, or any of its holding company or fellow subsidiaries was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Hess, Donald James

At no time during the year was the company a party to any arrangement to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

Indemnity of directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the company is currently in force and was in force throughout this year.

Directors' interests in transactions, arrangements or contracts

No contract of significance to which the company, or any of its holding company or fellow subsidiaries was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.



Independent auditor's report to
Variety - The Children's Charity Hong Kong Limited
("the company")
(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Variety – The Children's Charity Hong Kong Limited ("the company") set out on pages 6 to 15, which comprise the statement of financial position as at 30 September 2018, the income and expenditure account, the statement of changes in reserve and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 September 2018 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") 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 ethical 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.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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.

Opinion

We have audited the financial statements of Variety – The Children's Charity Hong Kong Limited ("the company") set out on pages 6 to 15, which comprise the statement of financial position as at 30 September 2018, the income and expenditure account, the statement of changes in reserve and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 September 2018 and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong



**Independent auditor's report to
Variety - The Children's Charity Hong Kong Limited
("the company") (continued)**
(Incorporated in Hong Kong and limited by guarantee)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs 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.

Auditor's responsibilities for the audit of the financial statements

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. This report is made 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.

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 judgement and maintain professional scepticism 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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs 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.



Independent auditor's report to
Variety - The Children's Charity Hong Kong Limited
("the company") (continued)
(Incorporated in Hong Kong and limited by guarantee)

**Auditor's responsibilities for the audit of the financial statements
(continued)**

- 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Certified Public Accountants

**Auditor's responsibilities for the audit of the financial statements
(continued)**

- 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

**Income and expenditure account
for the year ended 30 September 2018**
(Expressed in Hong Kong dollars)

	Note	Year ended 30 September 2018	Year ended 30 September 2017
Income			
Donations	2	\$ 1,343,777	\$ 1,624,915
Interest income		23	2
		<u>\$ 1,343,800</u>	<u>\$ 1,624,917</u>
Expenditure			
Grants expenditure		\$ (1,382,693)	\$ (379,030)
Annual gala expenses		-	(308,544)
Fund raising project expenses		-	(83,764)
Administrative and other operating expenses		(164,771)	(49,248)
Credit card expenses		-	(12,109)
Donation paid		-	(6,740)
Bank charges		(2,662)	(3,155)
		<u>\$ (1,550,126)</u>	<u>\$ (842,590)</u>
(Loss)/surplus and total comprehensive income for the year		<u>\$ (206,326)</u>	<u>\$ 782,327</u>


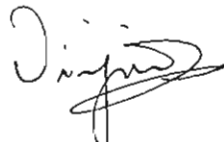
	Note	Year ended 30 September 2018	Year ended 30 September 2017
Income			
Donations	2	\$ 1,343,777	\$ 1,624,915
Interest income		23	2
		<u>\$ 1,343,800</u>	<u>\$ 1,624,917</u>
Expenditure			
Grants expenditure		\$ (1,382,693)	\$ (379,030)
Annual gala expenses		-	(308,544)

Statement of financial position at 30 September 2018

(Expressed in Hong Kong dollars)

	Note	2018	2017
Current assets			
Cash at bank		\$ 2,021,331	\$ 1,164,961
Donation receivables		-	186,402
		<u>\$ 2,021,331</u>	<u>\$ 1,351,363</u>
Current liabilities			
Amount due to a director	6	\$ -	\$ (111,794)
Other payables		(176,246)	(126,442)
Deferred income	7	(938,284)	-
		<u>\$ (1,114,530)</u>	<u>\$ (238,236)</u>
NET ASSETS		<u>\$ 906,801</u>	<u>\$ 1,113,127</u>
General reserve		<u>\$ 906,801</u>	<u>\$ 1,113,127</u>

Approved and authorised for issue by the board of directors on **25 APR 2019**

Hess, Donald James )
 Directors
 Lam, Wai Man Virginia )

Current assets			
Cash at bank		\$ 2,021,331	\$ 1,164,961
Donation receivables		-	186,402
		<u>\$ 2,021,331</u>	<u>\$ 1,351,363</u>
Current liabilities			
Amount due to a director	6	\$ -	\$ (111,794)
Other payables		(176,246)	(126,442)
Deferred income	7	(938,284)	-
		<u>\$ (1,114,530)</u>	<u>\$ (238,236)</u>

Statement of changes in reserve for the year ended 30 September 2018 (Expressed in Hong Kong dollars)

	<i>General reserve</i>
At 1 October 2016	\$ 330,800
Surplus and total comprehensive income	<u>782,327</u>
At 30 September 2017 and 1 October 2017	\$ 1,113,127
Loss and total comprehensive income	<u>(206,326)</u>
At 30 September 2018	<u><u>\$ 906,801</u></u>

	<i>General reserve</i>
At 1 October 2016	\$ 330,800
Surplus and total comprehensive income	<u>782,327</u>
At 30 September 2017 and 1 October 2017	\$ 1,113,127
Loss and total comprehensive income	<u>(206,326)</u>
At 30 September 2018	<u><u>\$ 906,801</u></u>

Cash flow statement for the year ended 30 September 2018 (Expressed in Hong Kong dollars)

	Year ended 30 September 2018	Year ended 30 September 2017
Operating activities		
(Loss)/surplus for the year	\$ (206,326)	\$ 782,327
Adjustment for:		
Interest income	(23)	(2)
Operating (loss)/surplus before changes in working capital	\$ (206,349)	\$ 782,325
(Decrease)/increase in amount due to a director	(111,794)	111,794
Increase in other payables	49,804	126,442
Decrease/(increase) in donation receivables	186,402	(52,666)
Increase/(decrease) in deferred income	938,284	(23,935)
Net cash generated from operating activities	\$ 856,347	\$ 943,960
Investing activity		
Interest income	\$ 23	\$ 2
Net cash generated from investing activity	\$ 23	\$ 2
Net increase in cash and cash equivalents	\$ 856,370	\$ 943,962
Cash and cash equivalents at 1 October 2017/2016	1,164,961	220,999
Cash and cash equivalents at 30 September	\$ 2,021,331	\$ 1,164,961

Cash and cash equivalents represent cash at bank.

	Year ended 30 September 2018	Year ended 30 September 2017
Operating activities		
(Loss)/surplus for the year	\$ (206,326)	\$ 782,327
Adjustment for:		
Interest income	(23)	(2)
Operating (loss)/surplus before changes in working capital	\$ (206,349)	\$ 782,325
(Decrease)/increase in amount due to a director	(111,794)	111,794
Increase in other payables	49,804	126,442
Decrease/(increase) in donation receivables	186,402	(52,666)

Notes to the financial statements

(Expressed in Hong Kong dollars)

1 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the company is disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the company for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

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

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the company is disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the

1 Significant accounting policies (continued)

(c) *Changes in accounting policies*

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the company. None of these developments have had a material effect on how the company's results and financial position for the current or prior periods have been prepared or presented.

The company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) *Receivables*

Receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Impairment losses for bad and doubtful debts are recognised when there is objective evidence of impairment and are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset's original effective interest rate where the effect of discounting is material.

Objective evidence of impairment includes observable data that comes to the attention of the company about events that have an impact on the asset's estimated future cash flows such as significant financial difficulty of the debtor.

Impairment losses for receivables whose recovery is considered doubtful but not remote are recorded using an allowance account. When the company is satisfied that recovery is remote, the amount considered irrecoverable is written off against receivables directly and any amounts held in the allowance account relating to that debt are reversed.

Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income and expenditure account.

(e) *Payables*

Payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at discounted value. The company's results and financial position for the current or prior periods have been prepared or presented.

The company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) *Receivables*

Receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Impairment losses for bad and doubtful debts are recognised when there is objective evidence of impairment and are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset's original effective interest rate where the effect of discounting is material.

1 Significant accounting policies (continued)

(f) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(g) *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.

(h) *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 the income and expenditure account as follows:

Donations in cash and cash equivalents or other investment instruments for general purpose are recognised as income at fair values when it is probable that they will be received, which is generally upon receipt of cash. Donations for special purposes designated by the donors are initially recognised as deferred income when received, and then as income when the specific purposes are met.

(i) *Related parties*

(a) A person, or a close member of that person's family, is related to the company if that person:

insignificant risk of changes in value, having been within three months of maturity at acquisition.

(g) *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-

1 Significant accounting policies (continued)

- (b) An entity is related to the company if any of the following conditions applies:
- (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 Donations

The amount represents donations income recognised for charity purpose.

The amount of each significant category of donation income is as follows:

	2018	2017
General	\$ 262,279	\$ 675,813

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a

3 Taxation

The company is exempt under section 88 of the Hong Kong Inland Revenue Ordinance from any tax by reason of being a charitable institution or trust of a public character. Accordingly, no provision for Hong Kong taxation is required in these financial statements.

4 Directors' remuneration

All directors acted in honorary capacity and no director received any remuneration during the year.

5 Reserve

Capital management

The company is a charitable institution limited by guarantee and has no share capital.

The company's primary objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide assistance and support to children in Hong Kong who are physically, mentally, socially or economically disadvantaged.

The company defines "capital" as including general reserve maintained by the company. The company actively and regularly reviews and manages its capital structure to ensure effective use of reserve and sound financial status of the company.

6 Amount due to a director

The balance represented the reimbursement of annual gala expenses paid by a director on behalf of the company, which is unsecured, interest-free and repayable on demand.

7 Deferred income

The deferred income represented the balance of donations designated for the sponsorship of Variety Butterfly Program and are expected to be recognised as income and credited to the statement of income and expenditure when related expenditure was incurred from 1 April 2018 to 31 March 2020.

4 Directors' remuneration

All directors acted in honorary capacity and no director received any remuneration during the year.

5 Reserve

Capital management

The company is a charitable institution limited by guarantee and has no share capital.

The company's primary objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide assistance and support to children in Hong Kong who are physically, mentally, socially or economically disadvantaged.

8 Financial risk management

Exposure to credit and liquidity risks arises in the normal course of the company's operations.

The company's exposure to these risks and the financial risk management policies and practices used by the company to manage these risks are described below.

(a) Credit risk

The company's credit risk is primarily attributable to cash at bank and in hand deposited with financial institutions, the maximum exposure of which at the end of the reporting period is their carrying amounts.

Credit risk in respect of cash at bank and in hand is considered to be low because cash at bank and in hand are placed with major financial institutions with sound credit ratings.

(b) Liquidity risk

The company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserve of cash and funding lines to meet its liquidity requirements in the short and longer term.

The contractual maturities at the end of the reporting period of the company's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date on which the company can be required to pay, are within one year or on demand.

9 Operating Lease Commitment

At 30 September 2018, the total future minimum lease payments under non-cancellable operating lease in respect of property is payable as follows:

	2018	2017
Within 1 year	\$ 48,000	\$ -
	<u>\$ 48,000</u>	<u>\$ -</u>

10 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 30 September 2018

Up to the date of issue of these financial statements, the HKICPA has issued a

(a) Credit risk

The company's credit risk is primarily attributable to cash at bank and in hand deposited with financial institutions, the maximum exposure of which at the end of the reporting period is their carrying amounts.

Credit risk in respect of cash at bank and in hand is considered to be low because cash at bank and in hand are placed with major financial institutions with sound credit ratings.

(b) Liquidity risk

The company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserve of cash and funding lines to meet its liquidity requirements in the short and longer term.

