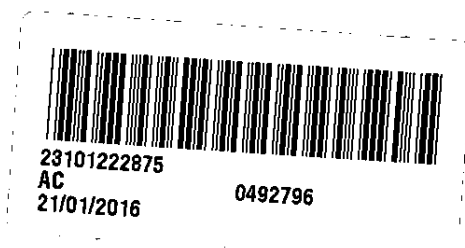


【文件七】

THE DEMOCRATIC PARTY
(Incorporated in Hong Kong and limited by guarantee)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015



THE DEMOCRATIC PARTY

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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REPORT OF CENTRAL COMMITTEE

The Central Committee have pleasure in presenting their report together with the audited financial statements of the Group and the Party for the year ended 31 March 2015.

FINANCIAL STATEMENTS

The Group's results for the year are set out in the consolidated statement of income and general fund on pages 4 to 5.

The state of affairs of the Group at 31 March 2015 are set out in the consolidated statement of financial position on page 6.

The cash flows of the Group for the year are set out in the consolidated statement of cash flows on page 7.

PRINCIPAL ACTIVITIES

The Party has been established as a Political Party in Hong Kong. Its subsidiary holds leasehold land and buildings which have been leased to the Party as offices.

There have been no significant changes in the nature of these activities during the year.

CENTRAL COMMITTEE MEMBERS

The Central Committee members during the year and up to the date of this report were:

Au Nok Hin	
Chai Man Hon	
Chan Shu Ying, Josephine	
Cheung Man Kwong	
Cheung Yin Tung	(resigned on 15 January 2015)
Chiu Ka Yin, Andrew	(retired on 14 December 2014)
Chow Kam Siu, Joseph	
Ho Chi Wai	(elected on 14 December 2014)
Ho Chun Yan	
Hui Chi Fung	(elected on 14 December 2014)
Kwong Chun Yu	(resigned on 15 January 2015)
Lai King Wai	
Lam Chung Hoi	
Lam Lap Chi	(retired on 14 December 2014)
Lau Wai Hing, Emily	
Lee Wing Tat	
Li Kin Yin	
Li Wing Shing	
Lo Kin Hei	
Mok Kin Shing	(elected on 14 December 2014)
Ng Wing Fai, Stanley	
Or Yiu Lam, Ricky	
Sin Chung Kai	
Tam Chun Kit	
Tsoi Yiu Cheong, Richard	
Tsoi Yu Lung	
Tsui Hon Kwong	
Wan Siu Kin, Andrew	
Wong Pik Wan	
Wong Sing Chi	(resigned on 16 April 2015)
Wu Chi Wai	(retired on 14 December 2014)
Yuen Hoi Man	
Yeung Sum	

REPORT OF CENTRAL COMMITTEE - CONTINUED

RETIREMENT BY ROTATION

Central Committee members shall hold office until and shall retire from office at the second next Annual General Meeting after that at which they are elected, and shall be eligible for re-election.

CENTRAL COMMITTEE MEMBER'S INTERESTS IN CONTRACTS

Except as disclosed in the financial statements, no contract of significance to which the Party or its subsidiary was a party and in which a Central Committee member of the Party had a material interest subsisted at the end of the year or at any time during the year.

BUSINESS REVIEW

The Group falls within reporting exemption for the year and is accordingly not required to prepare a business review.

AUDITORS

The auditors, Messrs. William Po & Co., Certified Public Accountants, retire and, being eligible, offer themselves for re-appointment.

On behalf of the Central Committee



Chairman
15 October 2015

Certified Public Accountants
蒲錦文會計師事務所

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE DEMOCRATIC PARTY
(Incorporated in Hong Kong and limited by guarantee)**

We have audited the consolidated financial statements of The Democratic Party ("the Party") and its subsidiary (collectively referred to as "the Group") set out on pages 4 to 19, which comprise the consolidated and company statements of financial position as at 31 March 2015, the consolidated statement of income and general fund and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Central Committee members' responsibility for the consolidated financial statements

The Central Committee members are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the Central Committee members determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit 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.

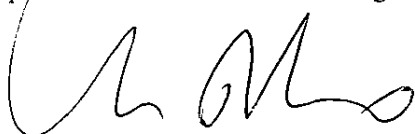
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Central Committee members, as well as evaluating the overall presentation of the consolidated financial statements.

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 consolidated financial statements give a true and fair view of the state of affairs of the Party and of the Group as at 31 March 2015 and of the Group's surplus and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



WILLIAM PO & CO.
Certified Public Accountants
Hong Kong, 15 October 2015

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**CONSOLIDATED STATEMENT OF INCOME AND GENERAL FUND
FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	HK\$	HK\$
Income		
Donations from non-members	6,578,871	5,081,440
Donations from members	4,651,414	2,042,888
Membership fee	61,510	35,680
Income on sale of raffle tickets	2,382,527	2,861,526
Sundry income	53,696	45,678
Project and activity income	4,756,598	4,669,882
Interest income	141,024	88,581
Monthly donation scheme income	55,060	79,216
Bad debts recovered	182,667	54,933
	<u>18,863,367</u>	<u>14,959,824</u>
Less: Expenditure (details on page 5)	(14,432,183)	(10,381,686)
Surplus for the year	4,431,184	4,578,138
General fund brought forward	11,646,486	7,068,348
General fund carried forward	<u>16,077,670</u>	<u>11,646,486</u>

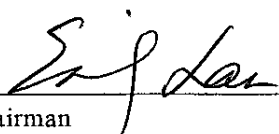
**CONSOLIDATED STATEMENT OF INCOME AND GENERAL FUND - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	HK\$	HK\$
Details of expenditure		
Accounting fee	25,000	50,000
Advertisement	10,700	-
Amortisation of goodwill	126,942	126,942
Audit fee	86,000	71,500
Bank Charges	17,221	17,868
Building management fee	96,104	26,864
Business registration fee	6,220	1,500
Company secretarial fees	3,355	4,050
Consumables and minor purchases	114,828	17,840
Depreciation	302,377	99,234
Electricity	46,955	38,736
Exchange loss	124,745	-
Expenditure on sale of raffle tickets	52,709	98,050
Insurance	40,469	26,451
Internet charge	67,122	55,775
Loss on disposal of property, plant and equipment	40,494	-
Mandatory provident fund	191,036	162,486
Motor vehicle running expenses	79,293	78,386
Newspapers and magazines	7,633	3,903
Operating lease charges on property rental	99,233	325,200
Organisation Enterprise and Development Committee expenses	250,519	-
Photocopying and film	54,923	50,962
Postage	5,640	7,166
Printing, stationery and typing	13,188	13,743
Project and activity expenses	5,311,043	3,041,804
Property agency fee	67,300	-
Provision for bad and doubtful debts	34,595	522,422
Rates	32,246	2,925
Repairs and maintenance	64,338	25,546
Recruitment cost	12,900	16,494
Salaries and related costs	4,533,067	3,955,287
Storage expenses	47,018	41,909
Subsidy to councillor offices	409,389	241,335
Subsidy for district development	1,893,966	1,174,494
Sundry expenses	45,532	12,934
Telephone and fax fee	72,567	47,722
Local travelling and transportation expenses	45,516	22,158
	<u>14,432,183</u>	<u>10,381,686</u>


**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	Notes	2015 HK\$	2014 HK\$
Non-current assets			
Property, plant and equipment	7	9,533,669	2,193,705
Goodwill	10	1,015,534	1,142,476
Loan receivables - non-current portion		-	8,900
Fixed deposits with maturity after 3 months		-	2,500,000
		10,549,203	5,845,081
Current assets			
Loan receivables - current portion		74,100	153,250
Other receivables, deposits and prepayments	11	2,117,725	510,211
Cash and cash equivalents	12	9,662,430	11,146,494
		11,854,255	11,809,955
Current liabilities			
Accruals and other payables	13	2,875,890	1,558,652
Loan from a Central Committee member		-	1,000,000
		2,875,890	2,558,652
Net current assets		8,978,365	9,251,303
Total assets less current liabilities		19,527,568	15,096,384
Non-current liabilities			
Non-interest bearing borrowings	14	3,449,898	3,449,898
Net assets		16,077,670	11,646,486
Represented by:			
General fund		16,077,670	11,646,486

Approved by:



Chairman



Honorary Treasurer

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 HK\$	2014 HK\$
Operating activities			
Surplus for the year		4,431,184	4,578,138
Adjustments for:			
Interest income		(141,024)	(88,581)
Provision for bad and doubtful debts		34,595	522,422
Depreciation		302,377	99,234
Amortisation of goodwill		126,942	126,942
Loss on disposal of property, plant and equipment		40,494	-
Operating surplus before changes in working capital		4,794,568	5,238,155
Decrease in loan receivables		88,050	375,493
Increase in other receivables, deposits and prepayments		(1,686,837)	(229,737)
Increase in account payables and accruals		1,317,238	160,302
Decrease in loan from a Central Committee member		(1,000,000)	-
Net cash generated from operating activities		3,513,019	5,544,213
Investing activities			
Purchase of property, plant and equipment		(7,683,035)	(164,472)
Proceeds from disposal of property, plant and equipment		200	-
Interest received		185,752	22,317
Decrease/(increase) in fixed deposits with maturity after 3 months		2,500,000	(2,500,000)
Acquisition of subsidiary, net of cash acquired	19	-	67,450
Net cash used in investing activities		(4,997,083)	(2,574,705)
Net (decrease)/increase in cash and cash equivalents		(1,484,064)	2,969,508
Cash and cash equivalents at the beginning of the year		11,146,494	8,176,986
Cash and cash equivalents at the end of the year	12	9,662,430	11,146,494

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1 GENERAL

The Democratic Party ("The Party") has been incorporated in Hong Kong under the Companies Ordinance as a company limited by guarantee without share capital. The Party's registered office and principal place of operation is located at 4th Floor, Hanley House, 776 - 778 Nathan Road, Kowloon, Hong Kong. The Party has been established as a Political Party in Hong Kong. Under the provision of its Articles of Association, every member shall, in the event of the Party being wound up, contribute such amount as may be required to meet the liabilities of the Party but not exceeding the sum of HK\$10 each.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

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

(b) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Party and its subsidiary. A subsidiary is an entity (including special purpose entity) over which the group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally but not necessarily accompanying a shareholding of more than half of the voting power. The subsidiary is fully consolidated from the date on which control is transferred to the group and is de-consolidated from the date that control ceases.

All intragroup transactions, balances, income and expenses are eliminated. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group. There is no difference in the reporting date of the financial statements of the company and its subsidiary used in the preparation of the consolidated financial statements.

In the Party's statement of financial position, the investment in a subsidiary is stated at cost less provision for impairment loss. The results of the subsidiary are accounted for by the Party on the basis of dividends received and receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

Goodwill arising on acquisition is recognised in the consolidated statement of financial position as an asset, initially measured at cost and subsequently at cost less any accumulated amortisation and accumulated impairment losses. In the case of associates and jointly-controlled entities, goodwill is included in the carrying amount thereof, rather than as a separately identified asset in the consolidated statement of financial position. Goodwill is amortised on a straight-line basis over a period of ten years.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquirer's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(d) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold land	the unexpired period of the lease
Buildings	4%
Leasehold improvement	4% - 20%
Furniture and fixtures	20%
Office equipment	20%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(e) Impairment of non-financial assets, other than goodwill**

At each reporting date, property, plant and equipment and investment in a subsidiary are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

(f) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to statement of income as incurred over the lease term.

(g) Recognition of revenue

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

- * donations are recognised when the right to receive payment is established.
- * membership fee is recognized when the right to receive the fee is established.
- * on the rendering of services, based on the stage of completion of the transaction, provided that this and the costs incurred as well as the estimated costs to completion can be measured reliably. The stage of completion of a transaction associated with the rendering of services is established by reference to costs incurred to date as compared to the total costs that would be incurred under the transaction.
- * interest on a time proportion basis that takes into account the effective yield on the asset.

(h) Employee benefits

- i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- ii) The Group operates a Mandatory Provident Fund scheme ("MPF scheme") for the employees. Contributions are made based on a percentage of the employee's basic salaries and are charged to the income statement as they become payable. The assets of the MPF Scheme are held in an independently administered fund. The Group's contributions vest fully with the employees when contributed into the MPF Scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(i) Related party**

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(j) Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand and demand deposits with original maturities of three months or less.

(l) Payables

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

(m) Significant judgement

In the process of applying the Group's accounting policies, judgements that can significantly affect the amounts recognised in the financial statements are made in determining:

- * whether there is an indication of impairment of assets.
- * the expected manner of recovery of the carrying amount of assets.
- * whether the discount rates used to calculate the recoverable amount of assets are appropriate for the purpose of impairment review.

(n) Foreign currency translation**i) Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "Functional Currency"). These consolidated financial statements are presented in Hong Kong dollar, which is the Group's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income and general fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated.

(b) Impairment of non-financial assets, other than goodwill

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment
- investment in subsidiary

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated statement of income and general fund whenever the carrying amount of an asset exceeds its recoverable amounts. If an indication of impairment is identified, the Group is required to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Changes in any of these estimates could result in a material change to the asset carrying amount in the financial statements.

(c) Impairment test of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

(d) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the loan and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the loan and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

4 EMPLOYEE BENEFIT EXPENSES

The Group has employee benefit expense included in various expenditure. Details are as follows:

	2015	2014
	HK\$	HK\$
Project and activity expenses	193,681	62,812
Salaries and allowances	4,533,067	3,955,287
Mandatory provident fund	191,036	162,486
	<u>4,917,784</u>	<u>4,180,585</u>

Analysis of the total employee benefit expenses is as follows:

	2015	2014
	HK\$	HK\$
Salaries and allowances	4,704,719	4,018,099
Mandatory provident fund	194,681	162,486
Other benefit	18,384	-
	<u>4,917,784</u>	<u>4,180,585</u>

5 CENTRAL COMMITTEE MEMBER'S EMOLUMENTS

During the years ended 31 March 2015 and 31 March 2014, no amounts have been paid in respect of Central Committee member's emoluments, Central Committee member's or past Central Committee member's pensions or for any compensation to Central Committee member or past Central Committee member in respect of loss of office.

6 INCOME TAX EXPENSE

No provision for Hong Kong profits tax is made in the financial statements as the Central Committee consider that the Group has no assessable profits.

Deferred taxation has not been provided in the financial statements as the Group has no Hong Kong profits tax liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

7 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land & buildings HK\$	Leasehold improvement HK\$	Furniture & fixtures HK\$	Office equipment HK\$	Total HK\$
Cost:					
At 1 April 2014	4,669,505	234,139	250,088	379,202	5,532,934
Additions	7,244,750	399,655	-	38,630	7,683,035
Disposals	-	(234,139)	(250,088)	(74,717)	(558,944)
At 31 March 2015	11,914,255	399,655	-	343,115	12,657,025
Accumulated depreciation and impairment:					
At 1 April 2014	2,678,454	200,565	250,088	210,122	3,339,229
Charge for the year	253,878	-	-	48,499	302,377
Disposals	-	(200,565)	(250,088)	(67,597)	(518,250)
At 31 March 2015	2,932,332	-	-	191,024	3,123,356
Net book value:					
At 31 March 2015	8,981,923	399,655	-	152,091	9,533,669
At 31 March 2014	1,991,051	33,574	-	169,080	2,193,705

The carrying amount of Group's leasehold land and buildings is analysed as follows:

	2015 HK\$	2014 HK\$
Held in Hong Kong		
Under long-term leases (over 50 years)	1,872,248	1,991,051
Under medium-term leases (10 - 50 years)	7,109,675	-
	8,981,923	1,991,051

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

8 INTERESTS IN A SUBSIDIARY

	2015 HK\$	2014 HK\$
Investments:		
Unlisted shares, at cost	<u>4</u>	<u>4</u>

At the year end date, the Party held shares in the following subsidiary:

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital	Company's equity interest
Sound Factor Limited	Hong Kong	Holds leasehold land and buildings which has been leased to the Party as offices	8,000 ordinary shares	100%

9 LOAN RECEIVABLES

The balances represent loans to candidates of Legislative Council and District Council elections and are repayable by monthly instalments. No interest is charged and no security is provided.

Details of loans to Central Committee members included in loan receivables disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance are set out below

Name of Borrower:	Wu Chi Wai
Terms of the loans	
Duration and repayment terms:	On demand
Interest rate:	Free
Security for the loan:	Unsecured
Balance of the loan	
At 1 April 2014	HK\$117,000
At 14 December 2014 (date of retirement as Central Committee Member)	HK\$ 67,500
Maximum debit balance outstanding during the year	HK\$117,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**
10 GOODWILL

	HK\$
Cost	
At 1 April 2014 and 31 March 2015	<u>1,269,418</u>
Accumulated amortisation	
At 1 April 2014	126,942
Amortisation of goodwill	<u>126,942</u>
At 31 March 2015	<u>253,884</u>
Net carrying amount	
At 31 March 2015	<u><u>1,015,534</u></u>

11 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015	2014
	HK\$	HK\$
Deposit paid	555,802	6,450
Prepayments	89,303	135,822
Other receivables	<u>1,472,620</u>	<u>367,939</u>
	<u><u>2,117,725</u></u>	<u><u>510,211</u></u>

12 CASH AND CASH EQUIVALENTS

	2015	2014
	HK\$	HK\$
Fixed deposits with maturities within 3 months	1,008,166	6,766,647
Cash at bank	8,649,650	4,369,931
Cash on hand	<u>4,614</u>	<u>9,916</u>
	<u><u>9,662,430</u></u>	<u><u>11,146,494</u></u>

13 ACCRUALS AND OTHER PAYABLES

	2015	2014
	HK\$	HK\$
Accruals	2,845,320	1,558,652
Other payables	<u>30,570</u>	<u>-</u>
	<u><u>2,875,890</u></u>	<u><u>1,558,652</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

14 NON-INTEREST BEARING BORROWINGS

	2015	2014
	HK\$	HK\$
Long-term loan from a Central Committee member	<u>3,449,898</u>	<u>3,449,898</u>

Long-term loan from a Central Committee member is unsecured, interest free and does not have a fixed term of repayment. However, the Central Committee do not anticipate that repayment will be demanded within one year from the year end date.

15 CAPITAL COMMITMENTS

Capital commitments outstanding at 31 March 2015 contracted for but not provided for in the consolidated financial statements amounted to HK\$529,875 (2014: Nil).

16 OPERATING LEASE COMMITMENTS

At the year end date, the Group and the Party had commitments for future minimum lease payment under non-cancellable operating leases which fall due as follows:

	2015	2014
	HK\$	HK\$
Within one year	396,000	19,923
Within two to five years	<u>414,000</u>	<u>-</u>
	<u>810,000</u>	<u>19,923</u>

17 RELATED PARTY TRANSACTIONS

The Group had the following transactions with a related party:

	2015	2014
	HK\$	HK\$
Rental expenses paid to entity with joint control	<u>-</u>	<u>160,000</u>

18 COMPARATIVE FIGURES

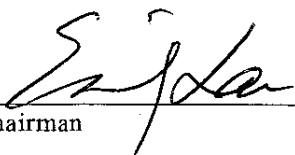
Certain comparative figures have been reclassified to conform with the current year's presentation of the financial statements.


NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

19 STATEMENT OF FINANCIAL POSITION OF THE PARTY

	2015 HK\$	2014 HK\$
Non-current assets		
Property, plant and equipment	551,746	169,080
Interest in a subsidiary	4	4
Loan receivables - non-current portion	-	2,500,000
	<u>551,750</u>	<u>2,669,084</u>
Current assets		
Loan receivables - current portion	74,100	153,250
Other receivables, deposits and prepayments	9,383,038	510,211
Cash and cash equivalents	9,483,004	11,123,314
	<u>18,940,142</u>	<u>11,786,775</u>
Current liabilities		
Accruals and other payables	2,862,894	1,579,390
Loan from a Central Committee member	-	1,000,000
	<u>2,862,894</u>	<u>2,579,390</u>
Net current assets	<u>16,077,248</u>	<u>9,207,385</u>
Net assets	<u>16,628,998</u>	<u>11,885,369</u>
Represented by:		
General fund	<u>16,628,998</u>	<u>11,885,369</u>

Approved by:


Chairman


Honorary Treasurer

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015****19 STATEMENT OF FINANCIAL POSITION OF THE PARTY (cont'd)**

A summary of the Party's general fund is as follows:

	2015	2014
	HK\$	HK\$
At the beginning of the year	11,885,369	7,068,348
Surplus for the year	<u>4,743,629</u>	<u>4,817,021</u>
At the end of the year	<u>16,628,998</u>	<u>11,885,369</u>

20 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Party's Central Committee on 15 October 2015