

**LIBRARY PROJECT LIMITED
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2016

LIBRARY PROJECT LIMITED
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31st December 2016.

PRINCIPAL ACTIVITY

The company operates as a non-profit making organisation and its principal activity is to collect public offerings in order to donate books to the children in impoverished regions.

RESULTS

The results of the company for the year ended 31st December 2016 are set out in the statement of comprehensive income on page 6 of the financial statements.

Income for the financial year ended 31st December 2016 is from general donations.

Expenses for the financial year ended 31st December 2016 including some staff costs, administrative and operating expenses, auditors' remuneration, bank charges, company secretarial fee, business registration fee and insurance.

This led to an operating deficit of US\$15,991 for the financial year ended 31st December 2016.

DIRECTORS

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

Thomas STADER
NG Pun Lam, Jacqueline

In accordance with Article 37 of the company's Articles of Association, all directors retire at the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

No contracts of significance in relation to the company's operation to which the company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the company a party to any arrangements to enable the directors of the company to acquire benefits by means of admission of membership in the company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the operation of the company were entered into or existed during the year.

AUDITORS

The financial statements have been audited by Vincent Kwok & Co. who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Thomas Stader', with a long horizontal flourish extending to the right.

Thomas STADER
Chairman

HONG KONG, 2nd June 2017



VINCENT KWOK & CO. *Certified Public Accountants*

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
LIBRARY PROJECT LIMITED
(incorporated in Hong Kong with limited by guarantee)

Opinion

We have audited the financial statements of Library Project Limited set out on pages 6 to 12, which comprise the statement of financial position as at 31st December 2016, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flow 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 31st December 2016, 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 Auditors' 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditors' 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.

Other Information (cont'd)

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

Responsibilities of Director and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of 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.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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



Vincent Kwok & Co.

Certified Public Accountants

HONG KONG, 2nd June 2017

LIBRARY PROJECT LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Note	2016 US\$	2015 US\$
INCOME	4	29,455	24,798
		-----	-----
STAFF COSTS		(39,056)	(11,271)
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(6,390)	(1,123)
		-----	-----
		(45,446)	(12,394)
		=====	=====
(DEFICIT)/ SURPLUS FOR THE YEAR	5	(15,991)	12,404
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
		-----	-----
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR		(15,991)	12,404
		=====	=====

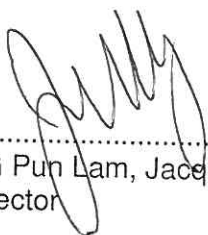
LIBRARY PROJECT LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2016

	Note	2016 US\$	2015 US\$
CURRENT ASSETS			
Cash and bank balances		2,058	6,362
Amounts due from related companies	8	26,735	38,421
		<u>28,793</u>	<u>44,783</u>
CURRENT LIABILITY			
Accrual		852	851
		<u>852</u>	<u>851</u>
NET CURRENT ASSETS		<u>27,941</u>	<u>43,932</u>
Financed by:			
RETAINED SURPLUS		<u>27,941</u>	<u>43,932</u>



.....
Thomas STADER
Director



.....
NG Pun Lam, Jacqueline
Director

LIBRARY PROJECT LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Retained surplus US\$
At 1st January 2015	31,528
Total comprehensive income for the year	12,404

At 31st December 2015	43,932
Total comprehensive expense for the year	(15,991)

At 31st December 2016	27,941
	=====

LIBRARY PROJECT LIMITED
(LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016 US\$	2015 US\$
(Deficit)/ surplus for the year and before working capital changes	(15,991)	12,404
Decrease/ (increase) in amounts due from related companies	11,686	(12,614)
Increase in accrual	1	38
	-----	-----
DECREASE IN CASH AND BANK BALANCES	(4,304)	(172)
CASH AND BANK BALANCES AT 1ST JANUARY 2016/ 2015	6,362	6,534
	-----	-----
CASH AND BANK BALANCES AT 31ST DECEMBER 2016/ 2015	2,058	6,362
	=====	=====

LIBRARY PROJECT LIMITED
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

Library Project Limited is a non-profit making company incorporated in Hong Kong limited by guarantee and not having share capital. The company's registered office is located at 1501-08 Millennium City 5, No. 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.

The company operates as a non-profit making organisation and its principal activity is to collect public offerings in order to donate books to the children in impoverished regions.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

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"), Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong.

(b) Revenue recognition

Donations in cash for general purposes are recognised when the rights to receive payments have been established. Donations designed for specific purposes are deferred and recognised in profit or loss over the year necessary to match with the costs they are intended to compensate.

(c) Related parties

A party is considered to be related if the company and/ or the party are subjected to common control or significant influence. Related parties may be individuals or other entities.

(d) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the statement of financial position date. Exchange differences arising in these cases are dealt with in the statement of comprehensive income.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company's management makes assumptions, estimates and judgements in the process of applying the company's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

4 INCOME

The company operates as a non-profit making organisation and its principal activity is to collect public offerings in order to donate books to the children in impoverished regions. Income recognised during the year are as follows:

	2016 US\$	2015 US\$
Income		
Donations income	29,290	24,782
Exchange gain	133	-
Bank interest income	2	1
Sundry income	30	15
	-----	-----
	29,455	24,798
	=====	=====

5 (DEFICIT)/ SURPLUS FOR THE YEAR

	2016 US\$	2015 US\$
(Deficit)/ surplus for the year is stated after charging the following:		
Auditors' remuneration	852	852
Staff costs		
Salaries and allowances	39,056	11,271
	=====	=====

6 TAXATION

No Hong Kong profits tax has been provided as the company, being a charitable institution of a public character, is exempted from tax under Section 88 of the Inland Revenue Ordinance.

7 DIRECTORS' EMOLUMENTS

The directors received no fees or other emoluments for their services rendered to the company during the year (2015: Nil).

8 AMOUNTS DUE FROM RELATED COMPANIES

Disclosures pursuant to Section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) are as follows:

Name of company	Connected person/ director	2016 US\$	2015 US\$	Maximum amount outstanding during the year US\$
The Library Project, Inc.	Thomas STADER	20,264	33,863	33,863
The Library Project	Thomas STADER	6,471	4,558	6,471
		----- 26,735 =====	----- 38,421 =====	

The amounts due from related companies are unsecured, interest free and repayable on demand.

9 STATUS OF COMPANY

The company is a non-profit making incorporated company which is limited by guarantee and not having a share capital. In the event of this company being wound up, any person being a member or within one year thereafter, should be required to contribute to the deficit of the company for a sum not exceeding Hong Kong one hundred dollars.

10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 2nd June 2017.

LIBRARY PROJECT LIMITED
(LIMITED BY GUARANTEE)

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2016

(For management purposes only)

	2016 US\$	2015 US\$
Income		
Donations income	29,290	24,782
Bank interest income	2	1
Exchange gain	133	-
Sundry income	30	15
	<u>29,455</u>	<u>24,798</u>
Expenses		
Staff costs		
Salaries and allowances	39,056	11,271
Administrative and other operating expenses		
Auditors' remuneration	852	852
Bank charges	525	213
Business registration fee	272	-
Company secretarial fee	233	-
Exchange loss	-	26
Insurance	4,508	-
Sundries	-	32
	<u>45,446</u>	<u>12,394</u>
(Deficit)/ surplus for the year	<u><u>(15,991)</u></u>	<u><u>12,404</u></u>