

DANCE WITH DEPRESSION ASSOCIATION LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 19 DECEMBER 2007

TO 31 MARCH 2009

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DANCE WITH DEPRESSION ASSOCIATION LIMITED

REPORT OF THE EXECUTIVE BOARD MEMBERS

The Executive Board Members have pleasure in submitting their report together with the audited financial statements for the period from 19 December 2007 to 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Association are the promotion of learning of the belief, skill and means of handling depression through the activities in supporting groups, education, exercises, sharing, interaction, training and research.

RESULTS

The results of the Association for the period from 19 December 2007 to 31 March 2009 and the state of the Association's affairs at that date are set out in the financial statements on pages 5 to 14.

FIXED ASSETS

Details of the movements in fixed assets during the period are set out in note 8 to the financial statements.

SHARE CAPITAL

The Association was incorporated under the Companies Ordinance as a company limited by guarantee.

MEMBERS OF THE EXECUTIVE BOARD

The members of the Executive Board during the financial period and up to the date of this report were:-

Chan Wan Tung Therese	(Appointed on 19 December 2007)
Cheung Kit Ying Andy	(Appointed on 19 December 2007)
Cheung Suk Ying	(Appointed on 19 December 2007)
Chung Ming Kai Hudson	(Appointed on 19 December 2007)
Lee Suk Yee	(Appointed on 19 December 2007)
Li Suk Han	(Appointed on 19 December 2007)
Tso Man King	(Appointed on 19 December 2007)
Wong Yuen Yung	(Appointed on 19 December 2007)

In accordance with article 36 of the Association's Articles of Association, the executive board shall be triennially elected.

MEMBERS OF THE EXECUTIVE BOARD'S INTERESTS

No contracts of significance, to which the Association was a party and in which Executive Board Members of the Association had a material interest, subsisted at the end of period or at any time during the period.

At no time during the period was the Association a party to any arrangement to enable the Executive Board Members of the Association to acquire benefits by means of the acquisition of shares in or debentures of the Association or any other body corporate.

REPORT OF THE EXECUTIVE BOARD MEMBERS

AUDITOR

The financial statements have been audited by Messrs. Chan Chor Hung & Co., Certified Public Accountants, the auditors retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment is to be proposed at the forthcoming annual general meeting.

On behalf of the Executive Board



Chairman

Hong Kong, 30 MAR 2010

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DANCE WITH DEPRESSION ASSOCIATION LIMITED**

(Incorporated in Hong Kong with limited by guarantee)

We have audited the financial statements of Dance With Depression Association Limited set out on pages 5 to 14, which comprise the balance sheet as at 31 March 2009 and the income and expenditure account, statement of changes in reserves and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Executive board members' responsibilities for the financial statements

The executive board members are responsible for the preparation and the true and fair presentation of these financial statements in accordance with the Hong Kong Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. 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.

Auditor's 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 section 141 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 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 auditor's judgment, 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 auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive board members, as well as evaluating the overall presentation of the financial statements.

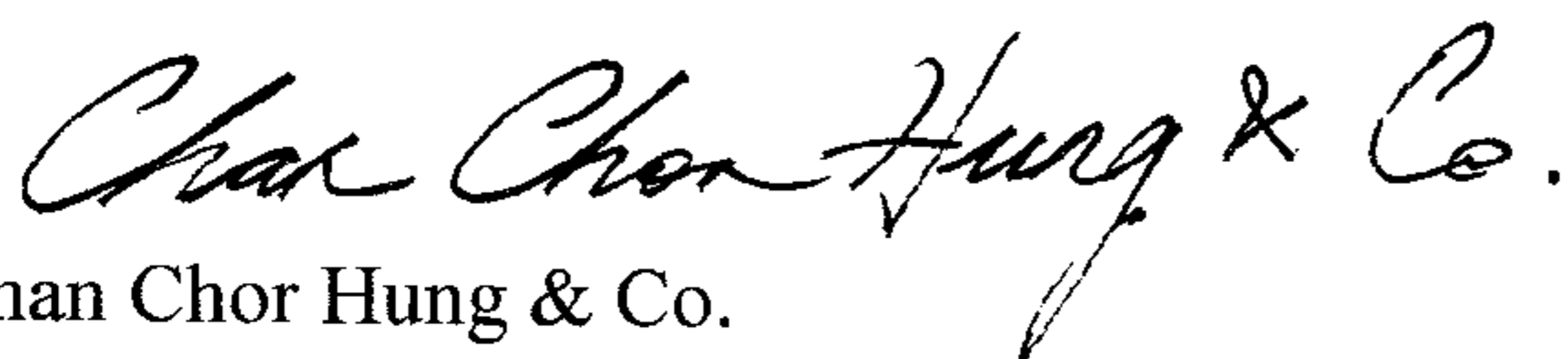
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHAN CHOR HUNG & CO. Certified Public Accountants
陳楚雄會計師事務所

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DANCE WITH DEPRESSION ASSOCIATION LIMITED
(Incorporated in Hong Kong with limited by guarantee)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association's affairs as at 31 March 2009 and of its surplus and cash flows for the period then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Chan Chor Hung & Co.
Certified Public Accountants (Practising)
Hong Kong, 30 MAR 2010

DANCE WITH DEPRESSION ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 19 DECEMBER 2007
TO 31 MARCH 2009

	<u>2009</u> <u>HK\$</u>
INCOMES	
Donations received	293,262
Programs income	46,930
OTHER INCOMES	
Interest income	335
Membership fee	8,500

	349,027

EXPENDITURES	
Annual dinner expenses	58,363
Books & magazines	3,106
Computer expenses	1,825
Depreciation	3,214
Honorarium	23,600
Insurance	1,113
Legal & professional fees	7,100
Mandatory provident funds	5,250
Postage	348
Printing & stationery	13,995
Program expenses	7,866
Rent	24,140
Repair & maintenance	8,410
Salaries	105,000
Scholarship & training	55,700
Sundry expenses	1,396
Telephone	5,640
Utility expenses	717

	326,783

Surplus for the period	22,244
	=====

The annexed notes form part of these financial statements.

DANCE WITH DEPRESSION ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

FOR THE PERIOD FROM 19 DECEMBER 2007
TO 31 MARCH 2009

	<u>NOTE</u>	<u>GENERAL</u> <u>FUND</u> <u>HK\$</u>
Money transfer from Dance With Depression Support Group		700,585
Surplus for the period	3	22,244
Balance at 31 March 2009		<u>722,829</u>

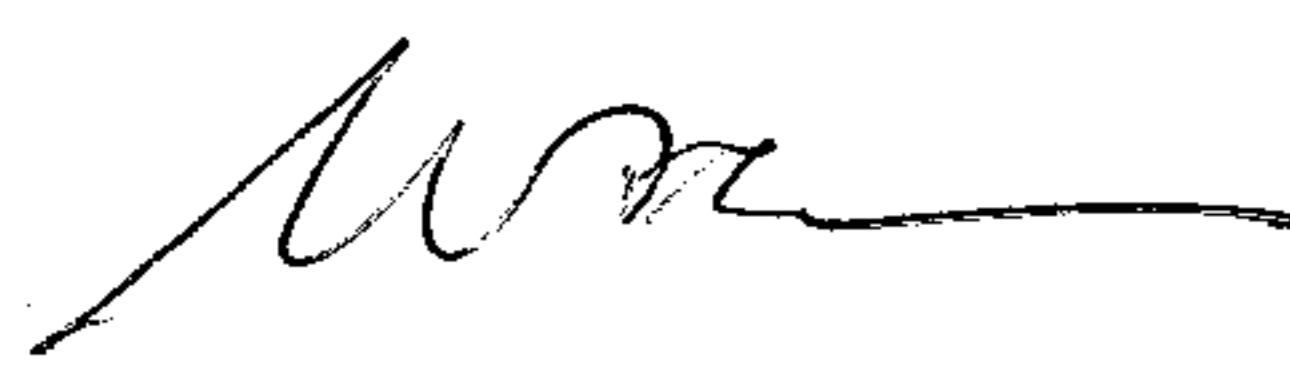
DANCE WITH DEPRESSION ASSOCIATION LIMITED

BALANCE SHEET


AS AT 31 MARCH 2009

	<u>NOTE</u>	<u>2009</u> <u>HK\$</u>
NON-CURRENT ASSETS		
Fixed assets - property, plant and equipment	8	9,644
CURRENT ASSETS		-----
Bank balances		724,185
CURRENT LIABILITIES		
Accruals		(9,750)
Deposits received		(1,250)
NET CURRENT ASSETS		----- 713,185
TOTAL NET ASSETS		----- 722,829
RESERVES		
General fund	10	722,829

Approved and authorised for issue by Executive Board on 30 MAR 2010



Executive Board Member
Chan Wan Tung Therese



Executive Board Member
Tso Man King

The annexed notes form part of these financial statements.

DANCE WITH DEPRESSION ASSOCIATION LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD FROM 19 DECEMBER 2007
TO 31 MARCH 2009

	<u>2009</u> <u>HK\$</u>
OPERATING ACTIVITIES	
Surplus for the period	22,244
Adjustments for:	
Interest incomes	(335)
Depreciation	3,214

Operating surplus before working capital changes	25,123
Increase in deposit form members	1,250
Increase in accruals	9,750

Net cash generated from operations	36,123

INVESTING ACTIVITIES	
Interest incomes	335
Purchases of fixed assets	(12,858)

Net cash used in investing activities	(12,523)

FINANCING ACTIVITIES	
Money transfer from Dance With Depression Support Group	700,585
	=====
NET INCREASE IN CASH AND CASH EQUIVALENTS	724,185
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	-

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	724,185
	=====
ANALYSIS OF THE BALANCE OF CASH & CASH EQUIVALENTS	
Bank balances	724,185
	=====

DANCE WITH DEPRESSION ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. General information

Dance With Depression Association Limited was incorporated under Hong Kong Companies Ordinance as a company limited by guarantee and not having a share capital. The liability of each member is limited to the extent of HK\$1. The Association's registered office is located at Room 402 David House, 8-20 Nanking Street, Yaumatei, Kowloon, Hong Kong. The principal activities of the Association are the promotion of learning of the belief, skill and means of handling depression through the activities in supporting groups, education, exercises, sharing, interaction, training and research.

2. Statement of compliance

The Association's financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), which also include Hong Kong Accounting Standards ("HKAS") and Interpretations ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Companies Ordinance. A summary of significant accounting policies is set out in note 3.

The HKICPA has issued a number of new and revised HKFRSs and Interpretation the are first effective or available for early adoption for current accounting period of the Association. There are no significant impact to the Association from initial application of these new and revised HKFRSs for the current and prior accounting periods.

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

3. Summary of significant Accounting Policies

a) Basis of preparation and accounting policies

The measurement basis used in preparation of the financial statements is the historical cost basis, except for certain financial instruments, which are measured at revalued amount or fair values, as explained in their detailed accounting policies set out below.

The preparation of financial statements in conformity with the HKFRSs requires the executive board to exercise its judgement, estimates and assumption in the process of applying the Association's accounting policies. The estimates and the 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 future periods if the revision affect both current and future period.

b) Fixed assets

Fixed assets represent property, plant and equipment are stated in balance sheet at cost (or valuation, being the fair value at the date of the revaluation) less accumulated depreciation and any provisions for impairment losses. Cost represents the purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. All other subsequent expenditure, such as repairs and maintenance and overhaul costs, is recognised as an expense in the period in which it is incurred.

DANCE WITH DEPRESSION ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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 cash-generating unit exceeds its recoverable amount, or a reversal of impairment loss is recognised immediately in the income and expenditure account.

The gain or loss arising from the retirement or disposal of fixed assets, representing the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the income and expenditure account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred from the revaluation reserve to general fund.

Depreciation is calculated to write off the cost (or valuation) of fixed assets, less their residual values, if any, on the straight line basis over their estimated useful lives at the following annual rates:

Furniture & fixtures	25%
Office equipment	25%

c) Revenue recognition

Revenue is recognised 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:

Donation received are recognised whenever they are received.

Interest income is accrued on a time proportion basis.

Programs income are recognised whenever they are received.

d) Impairment of assets

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

e) Financial instruments

Financial assets and financial liabilities are recognised on the Association's balance sheet when the Association becomes a party to the contractual provisions of the instrument. The following financial instruments are classified according to the executive board's intention on acquisition:

DANCE WITH DEPRESSION ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Receivable

Receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Payables

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

f) Functional and presentation currency

Items included in the accounts of the Association are measured using the currency of the primary economic environment in which the Association operates. The financial statements are presented in Hong Kong Dollars, which is the functional and presentation currency.

g) Foreign currency transactions

Transactions in foreign currencies during the year are translated at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Gains or losses arising on exchange are recognised in the income and expenditure account, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in equity.

Non-monetary assets and liabilities that are measured in term of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the rates of exchange ruling at the dates the fair value was determined.

h) Retirement benefit costs

Obligation for contributions to defined contribution retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as expenses in the income and expenditure account as incurred.

i) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts and advances from banks repayable within three months from date of the advance.

DANCE WITH DEPRESSION ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. Surplus for the period

Surplus for the period is stated after charging the following:-

	<u>2009</u> <u>HK\$</u>
Audit fee	-
Depreciation	3,214
	=====

5. Executive Board Members' emoluments

No Executive Board Member emoluments or fee were paid or are payable to any Executive Board Member of the Association during the period.

6. Turnover

Turnover represents donations and programs income received.

	<u>2009</u> <u>HK\$</u>
Donations received	293,262
Programs income	46,930

	340,192
	=====

7. Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the Association is a charitable institution under Section 88 of Inland Revenue Ordinance and is exempted from Hong Kong Profits Tax.

No provision for deferred taxation has been made as there should be no future tax consequences.

8. Fixed assets - property, plant and equipment

	<u>Furniture</u> <u>HK\$</u>	<u>Office equipment</u> <u>HK\$</u>	<u>Total</u> <u>HK\$</u>
Cost			
Additions & at 31/3/2009	5,230	7,628	12,858
Accumulated depreciation			
Charge for the period & at 31/3/2009	1,307	1,907	3,214
	-----	-----	-----
Net Book Value			
At 31/3/2009	3,923	5,721	9,644
	=====	=====	=====

DANCE WITH DEPRESSION ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9. Financial instruments

a) Categories of financial instruments

	<u>2009</u> <u>HK\$</u>
Financial assets	
Bank balances	724,185
Financial liabilities	
Deposits received	9,750
Accruals	1,250
	11,000

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2009.

b) Financial risk management objectives and policies

The Association is exposed to credit risk, liquidity risk and market risk arising in the normal course of its business and financial instruments. The Association's risk management objectives, policies and processes mainly focus on minimising the potential adverse effects of these risks on its financial performance and position by closely monitoring the individual exposure.

i) Credit risk

The Association is exposed to credit risk on financial assets, mainly attributable to bank balances. The management has policy to place the money in licensed bank.

ii) Liquidity risk

The Association is exposed to liquidity risk on financial liabilities. It manages its funds by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

iii) Market risk

The Association's activities do not expose it to significant foreign currency risk. As the Association has no significant interest-bearing assets and liabilities, the Association's income and operating cash flows are substantially independent of changes in market interest rates.

10. Capital disclosure

The capital structure of the Association is the funds accumulated for charitable purpose comprising reserves and accumulated surplus.

The Association manages its funds to ensure the entity will be able to continue as a going concern.

DANCE WITH DEPRESSION ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

11. Possible impact of amendments, new standards and interpretations issued but not yet effective for the period ended 31 March 2009.

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the period ended 31 March 2009 and which have not been adopted in these financial statements.

The Association is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that while the adoption of them is unlikely to have a significant impact on the Association's results of operations and financial position.

12. Approval of financial statements

These financial statements were authorised for issue by the Association's Executive Board on 30 March 2010.