HONG KONG SOCIETY OF CRITICAL CARE MEDICINE LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

暉誼(香港)會計師事務所有限公司

PARKER RANDALL CF (H.K.) CPA LIMITED

Certified Public Accountants

HONG KONG SOCIETY OF CRITICAL CARE MEDICINE LIMITED
For the year ended 31 March 2011

CONTENTS

Report of the Directors

The Directors has pleasure in submitting the report together with the audited financial statements for the year ended 31 March 2011.

Principal activities

The principal activities of Hong Kong Society of Critical Care Medicine Limited (the "Association") are to foster and promote mutual welfare, good fellowship, charity, better relationship, education, teaching, economics, commerce and careers among members of the Association.

Results

The results of the Association for the year ended 31 March 2011 and the state of the Association's affairs as at that date are set out in the financial statements on page 5 to 20.

Directors

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

CHAN Kin Wai
CHAN King Chung
CHAN Pik Kei Osburga
CHAN Wai Ming
CHAN Yan Fat Alfred
CHING Chi Keung
LAM Koon Ngai Philip
LAW Kin Ip
LEUNG Fung Yee
SO Sheung On
TAI Kian Bun
TANG Kam Shing
TSANG Chi Chung Chris
YAN Wing Wa

In accordance with Article 47 of the Association's Articles of Association, all current members of the Directors retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Directors' interests in contracts

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

Report of the Directors (continued)

Directors' interests in contracts (continued)

At no time during the year the Association was a party to any arrangement to enable the Directors of the Association to hold any interests of the Association.

Management contracts

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

Auditors

The financial statements have been audited by Messrs. Parker Randall CF (H.K.) CPA Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Directors

Chairman

Hong Kong

Independent Auditor's Report

To the Directors of
Hong Kong Society of Critical Care Medicine Limited
(Incorporated in Hong Kong and limited by guarantee)

We have audited the financial statements of Hong Kong Society of Critical Care Medicine Limited (the "Association") set out on pages 5 to 20, which comprise the statement of financial position as at 31 March 2011, and the statement of income and expenditure, statement of changes in reserves and statement of cash flows for the year ended at 31 March 2011, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 and to report our opinion 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 the report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 directors, as well as evaluating the overall presentation of the financial statements.

Independent Auditor’s Report (continued)

To the Directors of
Hong Kong Society of Critical Care Medicine Limited
(Incorporated in Hong Kong and limited by guarantee)

Auditor’s responsibility (continued)

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Association’s affairs as at 31 March 2011 and of its surplus and cash flows for the year ended at 31 March 2011 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Parker Randall CF (H.K.) CPA Limited
Certified Public Accountants
Wong Wang Tai
Practising Certificate No.: PC02900
Hong Kong

HONG KONG SOCIETY OF CRITICAL CARE MEDICINE LIMITED

Statement of Income and Expenditure
For the year ended 31 March 2011

	Note	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Revenue	10	226,600	164,013
Other income	11	11,529	9
Administrative expenses		(61,974)	(36,865)
Surplus before tax	12	176,155	127,157
Income tax expense	13	(1)	(22,787)
Surplus for the year/period and total comprehensive surplus for the year/period		176,154	104,370

The notes on page 9 to 20 form an integral part of these financial statements.

HONG KONG SOCIETY OF CRITICAL CARE MEDICINE LIMITED

Statement of Financial Position
As at 31 March 2011

	Note	2011 HK$	2010 HK$
Current assets			
Receivables from members		-	146,968
Prepayment		6,967	-
Cash at bank		707,148	340,645
		714,115	487,613
Current liabilities			
Account and other payables		410,803	360,456
Provision for taxation		22,788	22,787
		433,591	383,243
Net assets		280,524	104,370
Capital and reserves			
Accumulated surplus		280,524	104,370

Approved and authorized for issue by the Directors on

Director

Director

The notes on page 9 to 20 form an integral part of these financial statements.

HONG KONG SOCIETY OF CRITICAL CARE MEDICINE LIMITED

Statement of Changes in Reserves
For the year ended 31 March 2011

	Accumulated surplus HK$
Balance as at 17 November 2008	-
The comprehensive surplus for the period	104,370
Balance as at 31 March 2010	104,370
Total comprehensive surplus for the year	176,154
Balance as at 31 March 2011	280,524

The notes on page 9 to 20 form an integral part of these financial statements.

HONG KONG SOCIETY OF CRITICAL CARE MEDICINE LIMITED

Statement of Cash Flows
For the year ended 31 March 2011

	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Cash flows from operating activities		
Surplus before tax for the year/period	176,155	127,157
Adjustment for:		
Interest income	(40)	(9)
	176,115	127,148
Decrease/(increase) in receivables from members	146,968	(146,968)
Increase in prepayment	(6,967)	-
Increase in account and other payables	50,347	360,456
Net cash generated from operating activities	366,463	340,636
Cash flows from financing activities		
Interest received	40	9
Net increase in cash and cash equivalents	366,503	340,645
Cash and cash equivalents at beginning of year/period	340,645	-
Cash and cash equivalents at end of year/period	707,148	340,645

The notes on page 9 to 20 form an integral part of these financial statements.

Notes to Financial Statements
For the year ended 31 March 2011

1. General information

Hong Kong Society of Critical Care Medicine Limited (the "Association") is set up to foster and to promote mutual welfare, good fellowship, charity, better relationship, education, teaching, economics, commerce and careers among members of the Association.

The Association is incorporated under the Hong Kong Companies Ordinance as an association limited by guarantee without share capital. The address of its registered office is Room 3705, 37/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Under the provisions of the Association's Memorandum of Association, every member shall, in the event of the Association being wound up, contribute to the assets of the Association an amount not exceeding HK$10.00.

2. Statement of Compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which comprise all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("INTs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, and have been aligned with the disclosure requirements of the Hong Kong Companies Ordinance.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It is also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in note 6.

3. Adoption of new and revised HKFRSs

In the current year, the Association has early adopted all of the new and revised HKFRSs issued by the HKICPA which are relevant to its operations and effective for accounting periods beginning on or after 1 April 2010.

The adoption of new and revised HKFRSs has had no significant financial effect on these financial statements.

HONG KONG SOCIETY OF CRITICAL CARE MEDICINE LIMITED

Notes to Financial Statements
For the year ended 31 March 2011

4. Issued but not yet effective HKFRSs

The Association has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective.

		Effective for annual periods beginning on or after
HKFRS 1 (Amendments)	*Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 July 2011
HKFRS 7 (Amendments)	*Transfers of Financial Assets*	1 July 2011
HKFRS 7 (Amendments)	*Offsetting Financial Assets and Financial Liabilities*	1 January 2013
HKFRS 9	*Financial Instruments*	1 January 2015
HKFRS 10	*Consolidated Financial Statements*	1 January 2013
HKFRS 11	*Joint Arrangements*	1 January 2013
HKFRS 12	*Disclosure of Interest in Other Entities*	1 January 2013
HKFRS 13	*Fair Value Measurement*	1 January 2013
HKAS 1 (Amendments)	*Presentation of Items of Other Comprehensive Income*	1 July 2012
HKAS 12 (Amendments)	*Deferred Tax: Recovery of Underlying Assets*	1 January 2012
HKAS 19 (as revised in 2011)	*Employee Benefits*	1 January 2013
HKAS 24 (Revised)	*Related Party Disclosures*	1 January 2011
HKAS 27 (as revised in 2011)	*Separate Financial Statements*	1 January 2013
HKAS 28 (as revised in 2011)	*Investments in Associates and Joint Ventures*	1 January 2013
HKAS 32 (Amendments)	*Presentation - Offsetting Financial Assets and Financial Liabilities*	1 January 2014
HK(IFRIC) Int-14 (Amendments)	*Prepayments of a Minimum Funding Requirement*	1 January 2011
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
HKFRS (Amendments)	*Improvements to HKFRSs 2010*	
	- amendments to HKFRS 3(revised) and 7	1 July 2010 and 1 January 2012
	- amendments to other HKFRSs	1 January 2011

The Association is in the process of making an assessment of what the impact of these new and revised HKFRSs is to be expected in the period of initial application. The Association anticipates that the application of these new and revised HKFRSs in future years will have no material impact on the financial statements of the Association.

5. Significant accounting policies

a. Revenue recognition

Donation from sponsors and membership fee from individuals and other associations are accounted for on an accruals basis.

b. Cash and cash equivalents

Cash and cash equivalents are 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.

c. Income tax

Income tax comprises current and deferred tax.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Association operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting policies (continued)

d. Financial assets

Initial recognition and measurement

Financial assets of the Association within the scope of HKAS 39 are classified as available-for-sale financial assets, and loans and receivables. The Association determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Association commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Association's financial assets include other receivables, and cash and cash equivalents.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in surplus and loss. The loss arising from impairment is recognised in surplus and loss.

5. Significant accounting policies (continued)

e. Impairment of financial assets

The Association assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Association first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Association determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

5. Significant accounting policies (continued)

e. Impairment of financial assets (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in surplus or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Association.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If the future write-off is later recovered, the recovery is credited to surplus or loss.

f. Derecognition of financial assets

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired; or (ii) the Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Association has transferred substantially all the risks and rewards of the asset, or (b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Association's continuing involvement in the asset. In that case, the Association also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Association has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Association could be required to repay.

5. Significant accounting policies (continued)

g. Financial liabilities

Initial recognition and measurement

Financial liabilities of the Association within the scope of HKAS 39 are financial liabilities carried at amortised costs. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Association's financial liabilities include amounts due to shareholders and accruals.

Subsequent measurement

Financial liabilities carried at amortised costs

After initial recognition, financial liabilities carried at amortised costs are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in surplus or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in surplus or loss.

h. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in surplus or loss.

5. Significant accounting policies (continued)

i. Foreign exchange

These financial statements are presented in United States dollars, which is the Association’s functional and presentation currency. Foreign currency transactions recorded by Association are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to surplus or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

6. Critical judgments and key estimates

The preparation of the Association’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

7. Financial risk management objectives and policies

The Association’s activities expose to a variety of financial risks which are foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Association’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Association’s financial performance.

a. Foreign exchange risk

Foreign exchange risk arises where future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the Association's functional currency. As all the Association's transactions, recognised assets and liabilities are denominated in Hong Kong dollars, the Directors is of the opinion that the Association does not have significant foreign exchange risk. Accordingly, no sensitivity analysis is performed.

7. Financial risk management objectives and policies (continued)

b. Credit risk

The Association has no significant credit risk as its credit risk mainly arises from deposits with a bank, the creditability of which is considered to be high.

c. Liquidity risk

The Association has no significant exposure to liquidity risk as it is in net current assets position.

d. Interest rate risk

Other than the cash at bank which carries interest at market rate, the Association has no significant interest-bearing assets and liabilities. Accordingly, the Association's income and operating cash flows are substantially independent of changes in market interest rates. As the Association's cash flow interest rate risk is considered to be low by the Directors, no sensitivity analysis is performed.

8. Reserves risk management

The Association's objectives when managing reserves are to safeguard the Association's ability to continue as a going concern and to have sufficient reserves for future operations. The reserves of Association comprise its retained surplus.

9. Financial instruments by category

The Association's financial instruments include the following:

	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Financial assets		
Cash at bank, receivables and prepayment	714,115	487,613
Financial liabilities		
At amortised cost	(410,803)	(360,456)

10. Revenue

An analysis of the Association's revenue is as follows:

	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Donation income	215,000	149,213
Membership fee income	11,600	14,800
	226,600	164,013

11. Other income

An analysis of the Association's other income is as follows:

	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Sundry income	11,489	-
Bank interest income	40	9
	11,529	9

12. Surplus before tax

The surplus before tax is arrived at after charging:

	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Membership expenses	1,190	16,447
Preliminary expense	-	10,905
Reimbursement for lecture	-	2,245
Lease payment under operating lease in respect of land and building	57,270	-

13. Income tax expense

The Association is entitled to exemption under Section 88 of the Inland Revenue Ordinance (Cap. 112) with effect from 12 December 2010, which was confirmed by Inland Revenue Department Hong Kong on 17 March 2011. And the Association is, therefore, exempt from all taxes payable under the Ordinance from 12 December 2010.

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable surpluses arising in Hong Kong during the period from 1 April 2010 to 11 December 2010.

	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Tax for the year/period	1	22,787

A reconciliation of the tax expense applicable to surplus before tax using the statutory rates to the tax expense at the effective tax rates is as follows:

13. Income tax expense(continued)

	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Surplus before tax	176,155	127,157
Tax at statutory tax rate of 16.5%	29,066	20,981
Expenses not deductible	-	1,807
Income not subject to tax	(29,065)	(1)
Tax expense for the year/period	1	22,787

At the end of reporting period, no provision for deferred taxation has been recognised in the financial statements as the effect of temporary differences is not material.

14. Directors' emoluments (also referred to as key management compensation)

None of the Directors, who are considered as key management of the Association, received or will receive any fees or other emoluments in respect of their services to the Association during the year.

15. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the directors on

(For management information only)

HONG KONG SOCIETY OF CRITICAL CARE MEDICINE LIMITED

Detailed expenditure account
For the year ended 31 March 2011

	Year ended 31/3/2011 HK$	Period from 17/11/2008 to 31/3/2010 HK$
Expenditures		
Bank charges	-	300
Membership expenses	1,190	16,447
Preliminary expenses	-	10,950
Reimbursement for lecture	-	2,245
Rent and rates	57,270	-
Website hosting fee	3,514	6,923
Expenses for the year/period	61,974	36,865