



Joint Mediation  
Helpline Office Ltd  
聯合調解專線辦事處有限公司

**Joint Mediation Helpline Office Ltd.**

**2011 Annual Report**



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## **Organization**

### **Board of Directors**

Bing Woon CHAN, SBS, JP, Chairman, *Hong Kong Mediation Council*

Ramanathan KUMAR SC<sup>^</sup>, *Hong Kong Bar Association*

Kwai Huen WONG, JP, *The Law Society of Hong Kong*

Kenneth CHUNG\*, *Hong Kong Institute of Arbitrators*

David FONG<sup>^</sup>, Honorary Treasurer, *Chartered Institute of Arbitrators (East Asia Branch)*

Paco TSANG, *Hong Kong Mediation Centre*

Antony MAN, *Hong Kong Institute of Surveyors*

Edward SHEN, *Hong Kong Institute of Architects*

### **Immediate Past Directors**

Nicholas LONGLEY, *Chartered Institute of Arbitrators (East Asia Branch)*

Robert WHITEHEAD, *Hong Kong Institute of Arbitrators*

Winston SIU, *Hong Kong Mediation Centre*

### **Board of Alternate Directors**

Chiann BAO, *Hong Kong Mediation Council*

Rimsky YUEN SC, *Hong Kong Bar Association*

Lester HUANG, JP, *The Law Society of Hong Kong*

Man Sing YEUNG, *Chartered Institute of Arbitrators (East Asia Branch)*

Robert PANG\*, *Hong Kong Institute of Arbitrators*

Chi Wang TANG~, *Hong Kong Mediation Centre*

Nelson CHENG, *Hong Kong Institute of Surveyors*

Alex LAI, *Hong Kong Institute of Architects*

### **Immediate Past Alternate Directors**

Peter CHOW, *Hong Kong Institute of Arbitrators*

### **Honorary Auditor**

Mabel Chan & Co.

### **Honorary Secretary**

Gary SOO

### **Secretariat Members**

Cindy FONG, Mediation Consultant

Roy Bowie YIP, Mediation Consultant

Stephen LO, Mediation Coordinator  
Brian NG, Mediation Coordinator  
Chun Hay TAM, Administrative Officer  
Maggie NG, Scheme Officer  
Inti TUNG, Administrative Assistant

^Appointment since 13 June 2011

\*Appointment since 14 November 2011

~Appointment since 19 December 2011

## **Chairman's Message**

By Mr. CHAN Bing Woon, SBS, JP



Dear Colleagues and Friends,

It has been great honour to serve as the Chairman of the Joint Mediation Helpline Office Limited (JMHO) and to present to you this Chairman's Report which covers JMHO's first full year of operation since its incorporation on 9 April 2010. In this report you will see a rundown of our events and developments. 2011 was a challenging yet fruitful year for JMHO and we have achieved numerous milestones throughout this period.

I wish to tender my personal thanks to the 8 founding members of JMHO, namely the Hong Kong Mediation Council, Hong Kong Bar Association, the Law Society of Hong Kong, Chartered Institute of Arbitrators (East Asia Branch), Hong Kong Institute of Arbitrators, Hong Kong Institute of Architects, Hong Kong Institute of Surveyors and Hong Kong Mediation Centre, for their unfailing support in setting up JMHO as a non-profit-making organization to promote the use of mediation as a means of dispute resolution in Hong Kong. With effect from 14 July 2011, JMHO is entitled to the exemption under section 88 of the Inland Revenue Ordinance (Cap. 112) and is exempted from all taxes payable under the Ordinance.

Speaking of challenges, mediators are experiencing a changing landscape in terms of professional practice, policy reforms and the introduction of legislation in the form of a Mediation Ordinance. In order to facilitate mediators and the public to take up this relatively new professional service, JMHO is committed to shaping a transparent and systematic protocol to convene mediation. We adapted the model of UK National Mediation Helpline established in 2004 by taking initiative to invite users to mediate; putting them into contact with an impartial mediator and monitor the mediation process until the case is concluded.

The JMHO's protocol has developed into a foundation for operating various kinds of mediation schemes. In January 2011, the JMHO was commissioned by the Development Bureau to operate a Land (Compulsory Sale for Redevelopment) Ordinance Pilot Mediation scheme. The Bureau has provided financial support to the Pilot Scheme to facilitate the owners involved in or

contemplating applications for compulsory sale for redevelopment, to undertake mediation on a voluntary basis to resolve their differences in an amicable manner.

On the education front, we are happy to see that the interest in learning mediation has continued to thrive among various professions. Since May 2010, JMHO has been acting as one of the organizing bodies in the Professional Services Development Assistance Scheme (“PSDAS”) for a project entitled “Enhance the Professional Services and Standards of Mediation for Hong Kong” hosting by the Hong Kong Mediation Council. The project aims to complement the policy of the Hong Kong Government in promoting the use of mediation and to match the implementation of the Civil Justice Reform in bringing users and professionals for enhancing the professional services and standards of mediation. Under the project, JMHO co-organized a conference on 4 April and invited distinguished speakers to share wisdoms and insights on mediation. Two half-day mediation workshops and six mediation seminars were organized to raise mediators’ standards and a research study has been undertaken to analyze users’ needs and feedback on the use of mediation as an alternative dispute resolution mechanism. In the pipeline is a cross-border mediation conference co-organized by the Hong Kong Mediation Council, JMHO and the Shanghai Commercial Mediation Centre. The conference is the first of its kind and, in addition to other initiatives, will raise the profile of JMHO and enhance the standard of mediation service in Hong Kong.

To further the objective of fostering information exchange on mediation, JMHO had warmly received delegations from the Mainland and Macau including officials and guests from Foshan, Shenzhen, Macau and Guang Zhou and shared information and knowledge on different mediation practices across the region. The sharing allows JMHO to explore the mediation landscape in the region and establish contact points for promoting JMHO’s services in the long run. I look forward to similar visits from our foreign counterparts in the upcoming year.

JMHO also welcomed the Administration’s decision to introduce the Mediation Bill which seeks to establish a proper regulatory framework for conducting mediation and to assist in the promotion of the more extensive and effective use of mediation in Hong Kong. The Bill was gazetted on 18 November 2011 and, prior to that, we have considered the draft Bill and made submissions we considered best in the interest of the public and the profession. We are delighted to see our comments being adopted in the gazette version, including the widening of the definition of “Agreement to Mediate” and to extend the scope of the proposed legislation to cover mediation sessions conducted through electronic means. We look forward to seeing the enactment of the Mediation Ordinance in 2012.

In the coming year, JMHO will be committed to provide high quality mediation service to the users and full support to the mediators. We have established plan to promote mediation and JMHO more widely in Hong Kong and uphold Hong Kong's position as one of the leading international dispute resolution centre in the Asia Pacific Region.

In closing, I would like to express my gratitude towards the Judiciary, the Department of Justice, the board of Directors and Alternate Directors, members of the Secretariat who have made significant contributions to the work of JMHO and for their unwavering commitment in the past year.



Mr. CHAN Bing Woon, SBS, JP

Chairman

31 December 2011

## Honorary Secretary's Report

By Mr. Gary SOO



### 1 JMHO 2011 General Mediation Referral Service: Overview

#### **Mediation Statistics**

1.1 The total number of enquiries, applications and mediation conducted through application for JMHO Service in the past year and a half are as follows:

	<b>July - Dec 2010</b>	<b>2011</b>	<b>Total</b>
No. of enquiries	160	190	350
No. of applications	50	116	166
No. of mediation conducted through application for JMHO services	11	35	46

Amongst the 46 cases which completed mediation, 23 successfully reached a settlement. The success rate is 50%.

The duties of the JMHO include explaining the basic principles of mediation, answering general enquiries in relation to mediation, providing free consultation service, putting users in contact with mediators of one of the Mediation Service Providers (i.e. eight member organizations)

Amongst the 166 applications, the nature of the disputes involved is as follows.

<b><u>Nature of case</u></b>	<b><u>No. of case</u></b>
Business/ Partnership	28
Personal Injuries	22
Inheritance	16
Debt	16
Tenancy Agreement/Rental	14



Professional Negligence	11
Ownership of Property	10
Construction	9
Employment/Salary	9
Contract	8
Banking	7
Slander	6
Damage of property	3
Intellectual Property	2
Trade Mark	2
Discrimination	1
Neighborhood	1
Trading of License	1

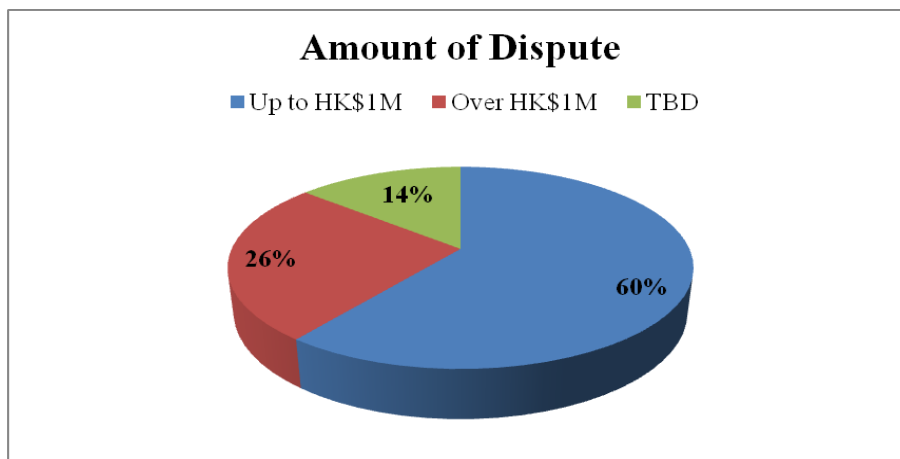
As shown in the table, Business/Partnership (28 cases), Personal Injuries (22 cases) and Inheritance (16 cases) and Debt (16 cases) are the 4 most common types of disputes.

### 1.3 Court proceedings

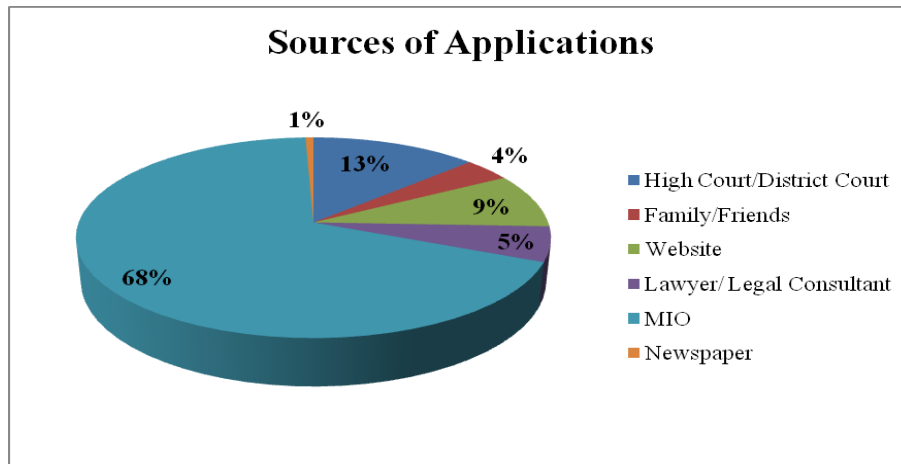
Amongst the 166 applications, 146 of the applications are with standing court proceedings (88%)

### 1.4 Amount of dispute

Amongst all applications, the amount in dispute ranges from HK\$0.01M to over HK\$5M. The breakdown is shown in following figure:



### 1.5 Source of applications



As shown, Mediation Information Office (MIO) of the Judiciary is the major source of the JMHO's applications (68%). 13% of the applicants received JMHO information from High Court/District Court and 9% received the information from website. Other sources include Lawyers/Legal Consultants (5%) and Family/ Friends (4%).

## 2 Land (Compulsory Sale for Redevelopment) Ordinance Pilot Mediation Scheme (LCSRO Scheme)

### 2.1 Mediation Case

Item	Content	Nos.
1	No. of Cases Settled by Mediation Conducted	2
2	No. of Cases that Could Not reach Settlement Agreement by Mediation	1
3	No. of Cases Applied and Settled with Reference to Mediation*	15
4	No. of Cases Terminate/Refuse to Mediate	3
5	No. of Cases Pending - Not eligible to the Pilot Mediation Scheme at the moment	2
6	No. of Cases in Progress	6
7	Total No. of Applications Received Request for Mediation:	29

\* With Reference to Mediation refers to the work done by JMHO: 1) Introduction on mediation and the pilot mediation scheme both through phone conversation and face-to face intake sessions to both applicants and respondents; 2) Providing further assistance to both parties on understanding and the preparation works required for mediation; 3) Case follow up and coordination with both parties, their legal representatives and mediators; 4) Providing assistance to PSPs in nominating mediators and providing case background information to the appointed mediators.

## 2.2 Mediation Training workshops under LCSRO scheme

Date	Trainings
15.01.2011	<b>Half-day Training Workshop</b> on Mediation for Owners in Prospective Compulsory Sale Cases under the Land (Compulsory Sale for Redevelopment) Ordinance, co-organized with Hong Kong Institute of Surveyors, Hong Kong Institute of Architects and The Law Society of Hong Kong
05.03.2011	<b>Half-day Training Workshop</b> on Mediation for Owners in Prospective Compulsory Sale Cases under the Land (Compulsory Sale for Redevelopment) Ordinance, co-organized with Hong Kong Institute of Surveyors, The Law Society of Hong Kong and Hong Kong Bar Association

## 2.3 Promotion events under LCSRO scheme

Date	Events
27.01.2011	<b>Launching cum Signing Ceremony</b> of Land (Compulsory Sale for Redevelopment) Ordinance – Pilot Mediation Scheme and Outreach Support Service for Elderly Owners, co-organized with Development Bureau, Senior Citizen Home Safety Association.
11.05.2011	<b>Public Talk at North Point</b> – Introduction to the LCSRO Scheme, co-organized with Senior Citizen Home Safety Association , Home Affairs Department
20.05.2011	<b>Building Management Workshop at Shatin</b> , co-organized with Home Affairs Department
08.07.2011	<b>Public Talk</b> on Land (Compulsory Sale for Redevelopment) Ordinance (Cap 545), co-organized with Hong Kong Institute of Surveyors, Senior Citizen Home Safety Association
16.07.2011	<b>Building Management Workshop</b> at Shatin, co-organized with Home Affairs Department
28.08.2011	<b>Building Management Ceremony</b> at Shatin, co-organized with Home Affairs Department
31.08.2011	<b>Meeting with Minority Owners of Tin Wan, Aberdeen</b> , co-organized with Home Affairs Department, Caritas Community Centre
01.09.2011	<b>Public Talk on Building Management</b> (Third Party Risk Insurance) and Introduction of the Pilot Mediation Scheme and Pilot Scheme on Outreach Support Service for Elderly Owners, co-organized with Home Affairs Department

27.09.2011	<b>Public Talk at Aberdeen (Tin Wan)</b> , co-organized with Senior Citizen Home Safety Association , Caritas Community Centre, Home Affairs Department
07.10.2011	<b>Public Talk on Land (Compulsory Sale for Redevelopment) Ordinance (Cap 545)</b> , co-organized with Hong Kong Institute of Surveyors, Senior Citizen Home Safety Association ,Urban Renewal Authority

### Event Photos



### **3 Professional Service Development Assistance Scheme (PSDAS): Enhancing the Professional Services and Standards of Mediation for Hong Kong**

#### 3.1 Overview

In 2011, under PSDAS, as a hosting organization and organizing body, the Hong Kong Mediation Council has delivered 4 Mediation Seminars, 2 half-day workshops and a One-day conference in Hong Kong. The feedback has been very encouraging. In the coming year, 2 mediation seminars and a one-day conference in Mainland/ Southeast Asia will be conducted. JMHO was one of the organizing bodies of these events.

### 3.2 Project Deliverables 2011

<b>Date</b>	<b>Deliverables</b>	<b>Theme/Topics</b>
18.11.2010	Mediation Seminar	Roles and Function of Surveyors in Mediation: <b>“Land (Compulsory Sale for Redevelopment) Ordinance (Cap.545)”</b>
20.12.2010	Mediation Seminar	Roles and Function of Mediators in Mediation: <b>“Negotiation in Mediation”</b>
17.01.2011	Half-day Mediation Workshop	Mediation Skills for Mediating Professionals: <b>“Skills for Professionals in representing Clients”</b>
03.03.2011	Mediation Seminar	Roles and Function of Architects in Mediation: <b>“Architects in Mediation as Mediator”</b> and <b>“Construction Mediation: techniques in running a mediation”</b>
04.04.2011	One-day Mediation Conference	<b>Mediation Practice Models for Civil Justice Reforms</b>
14.04.2011	Mediation Seminar	Roles and Function of Barristers in Mediation: <b>“Is mediation a ‘Threat’ or ‘Opportunity’ to members of professionals?”</b>
09.06.2011	Mediation Seminar	Roles and Function of Lawyers in Mediation : <b>“Representing Clients in Mediation”</b> and <b>“Good Practice in Personal Injury Mediation”</b>
06.09.2011	Mediation Seminar	Roles and Function of Medical Practitioners in Mediation: <b>“The roles of a medical expert and how to read medical expert reports”</b> <b>“The roles of a medical practitioner as a mediator”</b>
21.10.2011	Half-day Mediation Workshop	Mediation Skills for Mediating Professionals: <b>"What makes a good mediator?"</b> <b>"Practical Guidance for the Hong Kong Code of Conduct for mediators"</b>

## Event Photos



## 4 JMHO Meetings

JMHO directors meetings were convened as follows during the period from 1 January 2011 to 31 December 2011

JMHO Directors Meetings:

- 11 January 2011
- 21 February 2011
- 15 March 2011
- 11 April 2011
- 9 May 2011
- 13 June 2011
- 14 July 2011 (Directors Meeting cum Extraordinary General Meeting)
- 15 August 2011
- 6 October 2011 (Directors Meeting cum Annual General Meeting)
- 14 November 2011
- 19 December 2011

## **Financial Report**

I have the pleasure in submitting JMHO's first report and the audited financial statements for the period from 9 April 2010 (date of incorporation) to 31 March 2011.

### **Principal activities**

The principal activities of the company are providing and promoting mediation services.

### **Results**

The results of the company for the period from 9 April 2010 (date of incorporation) to 31 March 2011 and the state of the company's affairs as at that date are set out in the company's financial statements on pages 5 to 12.

### **Property, plant and equipment**

Details of the movements in property, plant and equipment during the period from 9 April 2010 (date of incorporation) to 31 March 2010 are set out in note 7 to the financial statements.

### **Directors**

The directors who held office during the period from 9 April 2010 (date of incorporation) to 31 March 2011 and up to the date of this report were:-

Bing Woon Chan - appointed on 30 April 2010

Russell Adam Coleman - appointed on 30 April 2010 - resigned on 13 June 2011

Kwai Huen Albert Wong - appointed on 30 April 2010

Robert John Whitehead - appointed on 30 April 2010

Nicholas John Edward Longley - appointed on 30 April 2010 - resigned on 13 June 2011

Wing Yan, Winston Siu - appointed on 30 April 2010

Edward Shen - appointed on 30 April 2010

Chi Chuen Man - appointed on 30 April 2010

Shiu Man David Fong - appointed on 13 June 2011

Kumar Ramanathan - appointed on 13 June 2011

Lester Garson Huang (alternate to Kwai Huen Albert Wong) - appointed on 6 September 2010

Teck Ern Peter Chow (alternate to Robert John Whitehead) - appointed on 13 August 2010

Ping Chiu Tsang (alternate to Wing Yan, Winston Siu) - appointed on 13 August 2010

Kwok Keung Yuen (alternate to Russell Adam Coleman) - appointed on 13 August 2010

Chiann Bao (alternate to Bing Woon Chan) - appointed on 13 August 2010

Man Sing Yeung (alternate to Nicholas John Edward Longley) - appointed on 13 August 2010

Yip Hung Lai (alternate to Edward Shen) - appointed on 13 August 2010

Wai Hung Nelson Cheng (alternate to Chi Chuen Man) - appointed on 13 August 2010

In accordance with Articles 36 and 37 of the company's Articles of Association, all directors continue in office.

The company did not enter into any contract with the directors or any person engaged in the full-time employment of the company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the company.

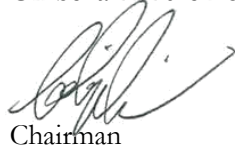
**Directors' interests in contracts**

No contracts of significance 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 31 March 2011 or at any time during the period from 9 April 2010 (date of incorporation) to 31 March 2011.

**Auditor**

Mabel Chan & Co. was appointed as first auditor of the company. A resolution to re-appoint the retiring auditor, Mabel Chan & Co., will be proposed at the forthcoming annual general meeting.

On behalf of the Board



Chairman

**Hong Kong, 22 Sept 2011**



## **Independent auditor's report**

### **To the members of Joint Mediation Helpline Office Limited (Incorporated in Hong Kong with limited liability by guarantee)**

We have audited the financial statements of Joint Mediation Helpline Office Limited (the “company”) set out on pages 5 to 12, which comprise the balance sheet as at 31 March 2011, and the income statement, the statement of changes in equity and the cash flow statement for the period from 9 April 2010 (date of incorporation) to 31 March 2011, and a summary of significant accounting policies and other explanatory information.

#### **Directors' responsibility for the financial statements**

The directors are responsible for the preparation of 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 directors determine is necessary to enable the preparation of 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 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 our 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 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 of 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 directors, 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.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its surplus and cash flows for the period from 9 April 2010 (date of incorporation) to 31 March 2011 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.



Mabel Chan & Co.

Certified Public Accountants

**Hong Kong, 22 Sept 2011**

## Income statement

Period from 9 April 2010 (date of incorporation) to 31 March 2011

	Note	HK\$
Revenue	4	1,128,677
Staff costs and consultancy fee		(466,301)
Administrative expenditures		(171,329)
Depreciation		(20,028)
Other expenditures		(22,385)
		<hr/>
<b>Surplus before tax</b>		448,624
Income Tax Expense	6	(71,600)
		<hr/>
<b>Surplus for the period and accumulated surplus at the end of the period</b>		<b>377,024</b> =====

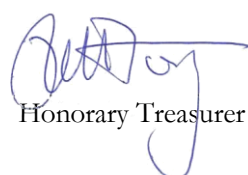
The notes on pages 21 to 24 form an integral part of these financial statements.

**Balance sheet as at 31 March 2011**

	Note	HK\$
<b>Non-current Assets</b>		
Property, plant and equipment	7	80,110
<b>Current Assets</b>		
Other Receivables		266,667
Bank Balances		1,135,180
		1,401,847
<hr/>		
<b>Current Liabilities</b>		
Receipt in advance		1,033,333
Tax Payable		71,600
		1,104,933
<hr/>		
<b>Net Current Assets</b>		296,914
		-----
		377,024
		=====
<b>Funds</b>		
<b>Accumulated surplus</b>		377,024
		=====

Approved by the board of directors on 22 Sept 2011

  
Chairman

  
Honorary Treasurer

The notes on pages 21 to 24 form an integral part of these financial statements.

Cash flow statement

**Period from 9 April 2010 (date of incorporation) to 31 March 2011**

	Note	HK\$
<b>Operating Activities</b>		
Surplus before tax		448,624
Adjustments for:		
Depreciation of property, plant and equipment		20,028
		<hr/>
<b>Operating cash flows before movements in working capital</b>		468,652
Increase in other receivable		(266,667)
Increase in receipt in advance		1,033,333
		<hr/>
<b>Net cash generated from operating activities</b>		1,235,318
		<hr/>
<b>Investing activities</b>		
Purchases of property, plant and equipment		(100,138)
		<hr/>
<b>Net cash used in investing activities</b>		(100,138)
		<hr/>
<b>Net increase in cash and cash equivalents and cash and cash equivalents at the end of the period</b>		1,135,180
		=====
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances		1,135,180
		=====

**Statement of changes in equity**

**Period from 9 April 2010 (date of incorporation) to 31 March 2011**

	Accumulated Surplus
	HK\$
Surplus for the period	377,024
	<hr/>
Balance at 31 March 2011	377,024
	=====

The notes on pages 21 to 24 form an integral part of these financial statements.

## 1. General information

Joint Mediation Helpline Office Limited is a company incorporated in Hong Kong with limited liability by guarantee. The address of its registered office and principal place of business is 38/F, Two Exchange Square, 8 Connaught Place, Central Hong Kong. The principal activities of the company are providing and promoting mediation services.

## 2. Basis of preparation and principal accounting policies

The financial statements have been prepared under historical cost basis and in accordance with 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 Hong Kong Companies Ordinance. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Revenue recognition

- (i) Mediation service and seminar income are recognised when the relevant services are rendered.
- (ii) Other income is recognised on an actual receipt basis.

### (b) Employee benefit obligations

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values. Payments to the Mandatory Provident Fund Retirement Benefits Scheme (the “MPF Scheme”) are charged as an expense when employees have rendered service entitling them to the contributions.

### (c) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The net carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

**(d) Property, plant and equipment**

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

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

Furniture, fixtures and equipment	20 %
Leasehold improvement	over the term of the related lease

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain or loss on disposal or retirement of an item of property, plant and equipment is the difference between the net disposal proceeds and the carrying amount of the relevant item, and is recognised in profit or loss.

**(e) Impairment of non-financial assets**

At each balance sheet date, property, plant and equipment 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 is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**(f) Leases**

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

**(g) Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities in the balance sheet.

**3. Key sources of estimation uncertainty**

Estimations are continually evaluated. They are based on historical experience and other factors, including expectations of future.

The company makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results

**4. Revenue**

	HK\$
Donation received	200,000
Mediation service income	872,617
Seminar income	56,050
	<hr/>
	1,128,667
	=====

**5. Directors' remuneration**

No directors' remuneration has been paid pursuant to Section 161 of the Hong Kong Companies Ordinance.

**6. Income tax expense**

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period.



## 7. Property, plant and equipment

	Leasehold improvement	Furniture and equipment	Total
<b>Cost:</b>	HK\$	HK\$	HK\$
Additions and at 31 March 2011	62,403	37,735	100,138
<b>Accumulated depreciation:</b>	-----	-----	-----
Charge for the period and at 31 March 2011	12,481	7,547	20,028
<b>Carrying amount:</b>	-----	-----	-----
At 31 March 2011	=====	=====	=====

## 8. Approval of financial statements

These financial statements were approved and authorized for issue by the company's Board of Directors on 22 Sept 2011.

For further enquiries, please contact:

Joint Mediation Helpline Office Ltd.

Room LG102, LG 1/F,

The High Court Building, 38 Queensway,

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