

拯救兒童行動香港之友慈善基金有限公司財務報告

**THE HONG KONG FRIENDS OF  
SOS CHILDREN LIMITED**  
(Limited by guarantee)  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER, 2017**

Acknowledgement  
Companies Registry  
H.K.

04/12/2018 14:51:24  
Submission No/Seq No: 236426526/3  
CR No: 1714071  
Sh. Form. AC

**Kreston CAC CPA Limited**

陳與陳會計師事務所有限公司



A member of Kreston International | A global network of independent accounting firms

## 拯救兒童行動香港之友慈善基金有限公司理事會報告書

### **THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED**

(limited by guarantee)

### **BOARD MEMBERS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER, 2017**

The board members of The Hong Kong Friends of SOS Children Limited ("the association") submit herewith their report and the audited financial statements for the year ended 31 December, 2017.

#### **Principal activities**

The association was established for the advancement of education, the relief of poverty and the promotion of good health of vulnerable children, particularly but not exclusively by supporting the work of SOS Children's Villages around the world.

#### **Financial results**

The results of the association for the year ended 31 December, 2017 and the state of affairs of the association as at that date are set out in the financial statements on pages 6 to 11.

#### **Donations**

The total donations for charitable or other purposes made by the association during the reporting period were HK\$14,200.00.

#### **Executive board of the association**

The board members who held office during the reporting period and up to the date of this report were:-

Mary Maynard

George Philip Nicholas Earl of St. Andrews

Shubha Murthi

(appointed on 12/7/2018)

Anup Tiwari

(appointed on 12/7/2018)

Simon David Etherington

(resigned on 2/6/2017)

In accordance with the article 38 of the association's articles of association, existing board members shall retire but shall be eligible for re-election at every annual general meeting of the association.

#### **Other matters**

At the date of this report, the board members are not aware of any circumstances or affairs not otherwise dealt with in the report and financial statements which would render any amount stated misleading or harmful to the association.

拯救兒童行動香港之友慈善基金有限公司理事會報告書 - 續

**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED**

(limited by guarantee)

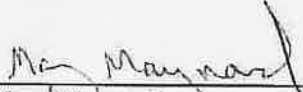
**BOARD MEMBERS' REPORT - cont'd**

**FOR THE YEAR ENDED 31 DECEMBER, 2017**

**Auditors**

Kreston CAC CPA Limited retire and, being eligible, offer themselves for re-appointment.

On behalf of the board members

  
\_\_\_\_\_  
Mary Maynard  
**Board member**

Hong Kong, - 8 NOV 2018

**拯救兒童行動香港之友慈善基金有限公司獨立核數師報告****INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED  
(incorporated in Hong Kong with limited liability by guarantee)****Opinion**

We have audited the financial statements of The Hong Kong Friends of SOS Children Limited ("the company") set out on pages 6 to 11, which comprise the statement of financial position as at 31 December, 2017, and the income statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the association are prepared, in all material respects, in accordance with Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") 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") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standards issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the association 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.

**Information other than the financial statements and auditor's report thereon**

The board members are responsible for the other information. The other information comprises all the information included in the board members' report, other than the financial statements and our auditor's 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.

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 the fact. We have nothing to report in this regard.

**拯救兒童行動香港之友慈善基金有限公司獨立核數師報告 - 續**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF**

**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED – cont'd**

(incorporated in Hong Kong with limited liability by guarantee)

**Responsibilities of board members for the financial statements**

The board members are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the board members 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 board members are responsible for assessing the association'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 board members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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 association's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.

**Kreston CAC CPA Limited**

威與豐會計師事務所有限公司

拯救兒童行動香港之友慈善基金有限公司獨立核數師報告 - 續

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF**

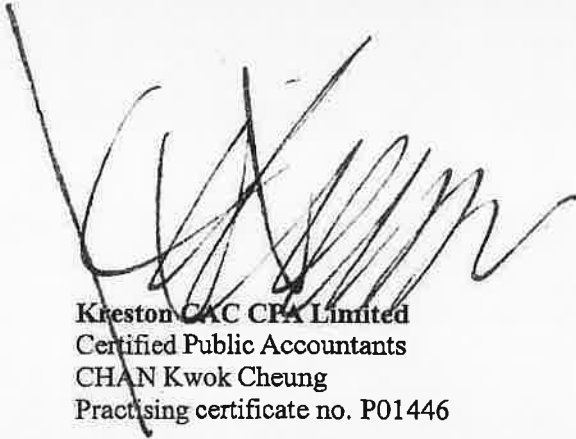
**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED – cont'd**

(incorporated in Hong Kong with limited liability by guarantee)

**Auditor's responsibilities for the audit of the financial statements – cont'd**

- conclude on the appropriateness of the board members' 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 association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.

We communicate with the board members 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.



Kreston CAC CPA Limited  
Certified Public Accountants  
CHAN Kwok Cheung  
Practising certificate no. P01446

Hong Kong, - 8 NOV 2018

拯救兒童行動香港之友慈善基金有限公司收益表

**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED**

(limited by guarantee)

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER, 2017**

|  | Notes | 2017<br>HK\$     | 2016<br>HK\$     |
|--|-------|------------------|------------------|
| Revenue - donations received less bank charges |       | 42,907.33        | 58,519.59        |
| Donations paid                                 |       | ( 14,200.00)     | ( - )            |
| Expenditures                                   | 5     | ( 10,000.00)     | ( 31,257.91)     |
| Surplus before income tax                      |       | 18,707.33        | 27,261.68        |
| Income tax                                     | 6     | -                | -                |
| Net surplus for the reporting period           |       | <u>18,707.33</u> | <u>27,261.68</u> |

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

拯救兒童行動香港之友慈善基金有限公司財務狀況表

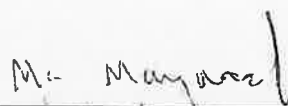
**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED**

(limited by guarantee)

**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER, 2017**

|  | Notes | 2017<br>HK\$      | 2016<br>HK\$      |
|--|-------|-------------------|-------------------|
| <b>Assets</b>                          |       |                   |                   |
| <b>Current assets</b>                  |       |                   |                   |
| Bank balances                          |       | <u>232,941.74</u> | <u>204,234.41</u> |
| <b>Total assets</b>                    |       | <u>232,941.74</u> | <u>204,234.41</u> |
| <b>Fund and liabilities</b>            |       |                   |                   |
| <b>Funds and reserves</b>              |       |                   |                   |
| General funds                          | 7     | <u>213,441.74</u> | <u>194,734.41</u> |
| <b>Current liabilities</b>             |       |                   |                   |
| Accounts and other payables - accruals |       | <u>19,500.00</u>  | <u>9,500.00</u>   |
| <b>Total funds and liabilities</b>     |       | <u>232,941.74</u> | <u>204,234.41</u> |

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements. These financial statements were approved and authorised for issue by the board members on - 8 NOV 2018



Mary Maynard  
Board member



George Philip Nicholas Earl of St. Andrews  
Board member



拯救兒童行動香港之友慈善基金有限公司會員權益變動表

**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED**

(limited by guarantee)

**STATEMENT OF CHANGES IN MEMBERS' EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER, 2017**

|                                      | 2017<br>HK\$      | 2016<br>HK\$      |
|--------------------------------------|-------------------|-------------------|
| Opening balance – total funds        | 194,734.41        | 167,472.73        |
| Net surplus for the reporting period | <u>18,707.33</u>  | <u>27,261.68</u>  |
| Closing balance – total funds        | <u>213,441.74</u> | <u>194,734.41</u> |

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED**

(limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2017**

**(1) Reporting entity**

The Hong Kong Friends of SOS Children Limited (“the association”) was incorporated on 7 March, 2012 under the Hong Kong Companies Ordinance as a association with limited by guarantee not having a share capital. The objects for which the association was established are for the advancement of education, the relief of poverty and the promotion of good health of vulnerable children, particularly but not exclusively by supporting the work of SOS Children’s Villages around the world. The address of its registered office is 5008, 50th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

Under the provision of the association’s memorandum and articles of association, every member of the association undertakes to contribute to the assets of the association in the event of the association being wound-up during the time when he is a member, or within one year afterwards, to meet the liabilities of the association but not exceeding the sum of HK\$100.00 each.

**(2) Statement of compliance**

The association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance. The association is a small guarantee company and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (“SME-FRS”) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the association is a going concern.

**(3) Basis of preparation**

These financial statements include income statement, statement of financial position, statement of changes in members’ equity and related notes.

The measurement basis used in preparing these financial statements is historical cost. The reporting currency is Hong Kong dollars.

拯救兒童行動香港之友慈善基金有限公司會計政策及財務報表附註解釋

**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED**

(limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2017**

**(4) Principal accounting policies**

**(a) Income tax**

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

**(b) Revenue recognition**

Donation is recognised on cash basis.

**(c) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the association has a legal or constructive obligation arising as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or nonoccurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(5) Expenditures**

|   | 2017<br>HK\$     | 2016<br>HK\$     |
|---|------------------|------------------|
| Auditor's remuneration:                         |                  |                  |
| - current reporting period                      | 10,000.00        | 9,500.00         |
| - under-provision in previous reporting periods | -                | 17,500.00        |
| Exchange losses                                 | -                | 857.91           |
| Sundry expenses                                 | -                | 3,400.00         |
|   | <u>10,000.00</u> | <u>31,257.91</u> |

拯救兒童行動香港之友慈善基金有限公司會計政策及財務報表附註解釋

**THE HONG KONG FRIENDS OF SOS CHILDREN LIMITED**

(limited by guarantee)

**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2017**

(6) **Income tax**

The association has been granted exemption from Hong Kong profits tax under section 88 of the Inland Revenue Ordinance.

(7) **General funds**

|  | 2017<br>HK\$      | 2016<br>HK\$      |
|--|-------------------|-------------------|
| Balance at the beginning of the reporting period | 194,734.41        | 167,472.73        |
| Net surplus for the reporting period             | <u>18,707.33</u>  | <u>27,261.68</u>  |
| Balance at the end of the reporting period       | <u>213,441.74</u> | <u>194,734.41</u> |

(8) **Emoluments to board members**

No emoluments was paid or accrued to any board members in respect of their services to the association during the reporting period (2016: Nil).

(9) **Related party transactions**

|   | 2017<br>HK\$     | 2016<br>HK\$ |
|---|------------------|--------------|
| Donations received from the founder member              | <u>2,273.58</u>  | <u>-</u>     |
| Donations paid to SOS Children's Villages International | <u>14,200.00</u> | <u>-</u>     |

The founder member of the association is SOS Children's Villages UK.

The emoluments to board members are shown in note (8).