

DEAF AND FRIENDS LIMITED (LIMITED BY GURANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2016

(Expressed in Hong Kong Dollars)

	Notes	<u>2016</u>	<u>2015</u>
INCOME			
Donation income	4	4,080	4,140
Events income	5	90	160
		<u>4,170</u>	<u>4,300</u>
EXPENDITURES			
Bank charges		500	500
Events expenses	5	-	160
Government fee		105	123
Rental expenses		2,248	2,037
Telecommunication		100	98
Website maintenance		688	741
		<u>3,641</u>	<u>3,659</u>
SURPLUS FOR THE YEAR		<u>529</u>	<u>641</u>

DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

(Expressed in Hong Kong Dollars)

1. GENERAL

The Company is incorporated in Hong Kong. It is a Company limited by guarantee and not having a share capital.

The address of its registered office is 20/F, Mongkok Commercial Centre, 16 Argyle Street, Kowloon. The Company is a non-profit making institution and engaged in assisting the disabled to integrate into the community and developing their talent, business or career.

The financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Summary of significant accounting policies

The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) for the Hong Kong Companies Ordinance (Cap. 622). The Company is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

a. Revenue recognition

Income from donations, sponsorship and event income are recognised when cash is received up to the reporting date.

b. Cash and cash equivalents

Cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity, at acquisition.

DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)

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3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Association. They are based on historical experience and other factors, including expectations of future.

4. REVENUE

Revenue represents donations received and event income received during the year.

5. SURPLUS FROM EVENTS

	<u>2016</u>	<u>2015</u>
EVENT'S INCOME		
Cosmetic course	90	160
EVENT'S EXPENDITURE		
Cosmetic materials	-	(160)
SURPLUS FROM EVENTS	<u>90</u>	<u>-</u>

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5. DIRECTORS' REMUNERATION

Directors' emoluments disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance is as follows :

	<u>2016</u>	<u>2015</u>
Directors' emoluments :		
Fee	-	-
Retirement benefits	-	-
Other emoluments	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

7. TAXATION

The Company is exempted from Hong Kong profits tax under Section 88 of the Hong Kong Inland Revenue Ordinance.

8. CASH AND BANK BALANCES

	<u>2016</u>	<u>2015</u>
Cash at bank	720	1,140
Cash in hand	2,723	1,350
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	3,443	2,490
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9. GENERAL FUND

	<u>General Fund</u>
As at 1 November 2015	3,257
Surplus for the year	<u>529</u>
As at 31 October 2016	<u>3,786</u>

10. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform with current year's presentation.



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)
(Incorporated in Hong Kong with limited by guarantee)

Report on the Financial Statements

We have audited the financial statements of Deaf and Friends Limited ("the Company") set out on pages 5 to 10, which comprise the statement of financial position as at 31 October 2016, and the income and expenditure account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of 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 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. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-sized Entity Financial Reporting Standard" 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 consider internal control relevant to the entity's preparation 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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF
DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)
(Incorporated in Hong Kong with limited by guarantee)

Opinion

In our opinion, the financial statements of the Company for the year ended 31 October 2016 are prepared, in all material respects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.



H. H. Liu & Co.
Certified Public Accountants
Hong Kong: 31 JUL 2017