

**DEAF AND FRIENDS LIMITED
(LIMITED BY GUARANTEE)**

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

H. H. LIU & CO.
CERTIFIED PUBLIC ACCOUNTANTS



廖慶雄會計師事務所

H. H. LIU & CO., *Certified Public Accountants*

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 Audit of the Financial Statements

Opinion

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 2017, and the income and expenditure account and statement of changes in funds 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 Company are prepared, in all material respects, in accordance with the 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 PN900 (Revised) Audit of Financial Statements Prepared in Accordance with Small and Medium-Sized Entity Financial Reporting Standard 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 Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other 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

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



廖慶雄會計師事務所

H. H. LIU & CO., *Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF
DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)

(Incorporated in Hong Kong with limited by guarantee)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors 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 directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charges with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities⁽¹⁾ for the Audit of 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. 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.

H. H. Liu & Co.
Certified Public Accountants
Hong Kong : 12 JUN 2018

⁽¹⁾ A description of auditor's responsibilities for the audit of the financial statements of an entity incorporated in Hong Kong can be found in the HKICPA's website at <http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2017

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
TURNOVER			
Donation Income	4	2,160	4,080
Events income	5	<u>1,500</u>	<u>90</u>
		<u>3,660</u>	<u>4,170</u>
EXPENDITURES			
Bank Charges		510	500
Fee charged by Paypal		25	-
Government Fee		105	105
Rental expenses		1,809	2,248
Telecommunication		100	100
Website Maintenance		197	688
Couriers		<u>74</u>	<u>-</u>
		<u>2,820</u>	<u>3,641</u>
SURPLUS FOR THE YEAR	9	<u><u>840</u></u>	<u><u>529</u></u>

The accompanying notes form an integral part of these financial statements.

DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017
 (Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
ASSETS			
CURRENT ASSETS			
Prepaid rental		1,379	243
Deposits paid		100	100
Cash and bank balance	8	<u>3,147</u>	<u>3,443</u>
TOTAL CURRENT ASSETS		<u>4,626</u>	<u>3,786</u>
TOTAL ASSETS		<u><u>4,626</u></u>	<u><u>3,786</u></u>
GENERAL FUND			
General fund	9	<u>4,626</u>	<u>3,786</u>
TOTAL GENERAL FUND		<u><u>4,626</u></u>	<u><u>3,786</u></u>

DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 OCTOBER 2017
(Expressed in Hong Kong Dollars)

	General <u>fund</u>
As at 1 November 2016	3,786
Total surplus for the year	<u>840</u>
As at 31 October 2017	<u><u>4,626</u></u>

The accompanying notes form an integral part of these financial statements.

DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

(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. 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.

3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

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

DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017
(Expressed in Hong Kong Dollars)

4. REVENUE

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

5. SURPLUS FROM EVENT

	<u>2017</u>	<u>2016</u>
EVENT INCOME		
Sign Language Courses* (year 2017) / Cosmetic course (2016)	1,500	90
EVENT EXPENDITURE	<u>-</u>	<u>-</u>
SURPLUS FROM EVENTS	<u>1,500</u>	<u>90</u>

* Funded by the Boy's and Girl's Clubs Association of HK.

6. DIRECTORS' REMUNERATION

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

	<u>2017</u>	<u>2016</u>
Director's emoluments:		
Fee	-	-
Retirement benefits	-	-
Other emoluments	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

7. TAXATION

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

DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

(Expressed in Hong Kong Dollars)

8. CASH AND BANK BALANCES

	<u>2017</u>	<u>2016</u>
Cash at bank	1,045	720
Cash in hand	<u>2,102</u>	<u>2,723</u>
	<u>3,147</u>	<u>3,443</u>

9. GENERAL FUND

As at 1 November 2016	3,786
Surplus for the year	<u>840</u>
As at 31 October 2017	<u>4,626</u>

10. COMPARATIVE FIGURES

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