



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 6 to 11, which comprise the statement of financial position as at 31 October 2018, 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**

The directors are responsible for the other information. The other information comprises the information included in the Report of Directors, but does not include 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.



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

**Information Other than the Financial Statements and Auditor's Report Thereon  
(Continued)**

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.

**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.



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

(Incorporated in Hong Kong with limited by guarantee)

**Auditor's Responsibilities<sup>(1)</sup> 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 HKSA's 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: 14 JUN 2019

<sup>(1)</sup> 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 2018**  
(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<b>TURNOVER</b>			
Donation Income	4	3,440	2,160
Events income	5	-	1,500
		<u>3,440</u>	<u>3,660</u>
<b>EXPENDITURES</b>			
Bank Charges		520	510
Fee charged by Paypal		-	25
Government Fee		105	105
Rental expenses		2,148	1,809
Telecommunication		50	100
Website Maintenance		198	197
Couriers		52	74
		<u>3,073</u>	<u>2,820</u>
<b>SURPLUS FOR THE YEAR</b>	9	<u><u>367</u></u>	<u><u>840</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 2018**

(Expressed in Hong Kong Dollars)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Prepaid rental		3,049	1,379
Deposits paid		100	100
Cash and bank balances	8	<u>1,844</u>	<u>3,147</u>
<b>TOTAL CURRENT ASSETS</b>		<u>4,993</u>	<u>4,626</u>
<b>TOTAL ASSETS</b>		<u>4,993</u>	<u>4,626</u>
<b>GENERAL FUND</b>			
General fund	9	<u>4,993</u>	<u>4,626</u>
<b>TOTAL GENERAL FUND</b>		<u>4,993</u>	<u>4,626</u>

**DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)**  
**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**  
(Expressed in Hong Kong Dollars)

	<u>General fund</u>
As at 1 November 2017	4,626
Total surplus for the year	<u>367</u>
As at 31 October 2018	<u><u>4,993</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 2018**  
(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 2018**  
 (Expressed in Hong Kong Dollars)

**4. REVENUE**

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

**5. SURPLUS FROM EVENT**

	<u>2018</u>	<u>2017</u>
<b>EVENT INCOME</b>		
Sign Language Courses 2017*	-	1,500
<b>EVENT EXPENDITURE</b>	<u>-</u>	<u>-</u>
<b>SURPLUS FROM EVENTS</b>	<u>-</u>	<u>1,500</u>

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

**6. DIRECTORS' REMUNERATION**

None of the directors received or will receive any fees or emoluments in respect of their service to the Company during the year (2017: nil) as disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance.

**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>2018</u>	<u>2017</u>
Cash at bank	985	1,045
Cash in hand	<u>859</u>	<u>2,102</u>
	<u>1,844</u>	<u>3,147</u>



**DEAF AND FRIENDS LIMITED (LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2018**  
(Expressed in Hong Kong Dollars)

**9. GENERAL FUND**

As at 1 November 2017	4,626
Surplus for the year	<u>367</u>
As at 31 October 2018	<u>4,993</u>

**10. COMPARATIVE FIGURES**

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