

ADOPTIVE FAMILIES OF HONG KONG

**STEERING COMMITTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 3RD MARCH 2011
TO 31ST MARCH 2012**

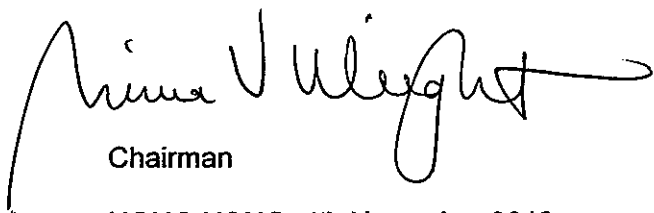
MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Society were entered into or existed during the period.

AUDITORS

The financial statements have been audited by Vincent Kwok & Co. who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Steering Committee

A handwritten signature in black ink, appearing to read "Nina V. Wright". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Chairman

HONG KONG, 4th November 2013



VINCENT KWOK & CO. *Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ADOPTIVE FAMILIES OF HONG KONG
(established in Hong Kong as a Registered Society under the Societies Ordinance (Cap. 151))**

We have audited the financial statements of Adoptive Families of Hong Kong on pages 5 to 11 which comprise the statement of financial position as at 31st March 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 3rd March 2011 to 31st March 2012, and a summary of significant accounting policies and other explanatory notes.

Steering committee members' responsibility for the financial statements

The steering committee members are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The steering committee members have confirmed the opening balances of the Society's current period financial statements correctly reflect the financial status of the Society as of that date.

Auditors' 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 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 as to whether the financial statements are free from material misstatement.

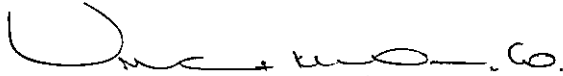
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation 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 steering committee members, as well as evaluating the overall presentation of the financial statements. We also relied on the steering committee members' declaration regarding the opening balances of the Society's current period financial statements and the retained profit brought forward from previous years as stated above.

Auditors' responsibility (cont'd)

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Society's affairs as at 31st March 2012 and of its surplus and cash flows for the period 3rd March 2011 to 31st March 2012, in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Vincent Kwok & Co.

Certified Public Accountants

HONG KONG, 4th November 2013

ADOPTIVE FAMILIES OF HONG KONG
 (established in Hong Kong as a Registered Society under the Societies Ordinance (Cap. 151))

STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD 3RD MARCH 2011 TO 31ST MARCH 2012

	Note	3.3.2011 to 31.3.2012 HK\$
INCOME	4	130,694
COST OF GOODS SOLD		(7,406)
GROSS SURPLUS		<u>123,288</u>
OTHER REVENUE	4	2,030
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(66,191)
		<u>(64,161)</u>
SURPLUS FOR THE PERIOD	5	59,127
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>59,127</u> =====

ADOPTIVE FAMILIES OF HONG KONG
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BALANCE SHEET
 AS AT 31ST MARCH 2012

	Note	31.3.2012 HK\$	2.3.2011 HK\$
CURRENT ASSETS			
Accounts receivable		1,500	350
Other receivable		12,597	480
Stocks		1,158	-
Bank balances and cash		140,362	92,460
		<u>155,617</u>	<u>93,290</u>
CURRENT LIABILITIES			
Accruals		6,277	3,077
		<u>6,277</u>	<u>3,077</u>
NET CURRENT ASSETS		<u>149,340</u>	<u>90,213</u>
Financed by:			
OPERATION FUNDS	8	40,756	40,756
RETAINED SURPLUS		108,584	49,457
		<u>149,340</u>	<u>90,213</u>
TOTAL FUNDS		<u>149,340</u>	<u>90,213</u>

Approved by the steering committee on 4th November 2013.




Anna Vuley
 Chairman

E. B. Allen
 Honorary Treasurer

ADOPTIVE FAMILIES OF HONG KONG
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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 3RD MARCH 2011 TO 31ST MARCH 2012

	Operation funds HK\$	Retained surplus HK\$	Total HK\$
At 3rd March 2011	40,756	49,457	90,213
Surplus for the period	-	59,127	59,127
At 31st March 2012	<u>40,756</u>	<u>108,584</u>	<u>149,340</u>

ADOPTIVE FAMILIES OF HONG KONG
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STATEMENT OF CASH FLOWS
FOR THE PERIOD 3RD MARCH 2011 TO 31ST MARCH 2012

	3.3.2011 to 31.3.2012 HK\$
OPERATING ACTIVITIES	
Surplus for the period and operating surplus before working capital change	59,127
Increase in accounts receivable	(1,150)
Increase in other receivable	(12,117)
Increase in stocks	(1,158)
Increase in accruals	3,200
	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES AND INCREASE IN BANK BALANCES AND CASH	47,902
BANK BALANCES AND CASH AT 3RD MARCH 2011	92,460
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BANK BALANCES AND CASH AT 31ST MARCH 2012	140,362
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ADOPTIVE FAMILIES OF HONG KONG
(established in Hong Kong as a Registered Society under the Societies Ordinance (Cap. 151))

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

Adoptive Families of Hong Kong was established in 1993 as a not-for-profit Society under the Societies Ordinance (Cap. 151). Effective from 3rd March 2011, the Society registered as a charitable institution and was granted tax-exempt charitable status under Section 88 of the Inland Revenue Ordinance.

The Society's registered office is located at G P O Box 8896, Hong Kong.

The principal activities of the Society are to connect, support and celebrate adoptive families in Hong Kong and to help educate the greater community about adoption.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, Interpretations issued by the Hong Kong Institute of Certified Public Accountants, and accounting principles generally accepted in Hong Kong.

(b) Revenues recognition

Donation income is recognised on a cash basis.

Sales of educational products are recognised when the goods are delivered to customers and title has passed.

Membership fee income is recognised on an accrual basis.

Sundry income is recognised when received.

(c) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost, calculated on the first in first out basis, represents purchase cost of the finished goods. Net realisable value is determined on the basis of anticipated sales proceeds in the ordinary course of business subsequent to the end of reporting period based on prevailing market conditions.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Society's management makes assumptions, estimates and judgements in the process of applying the Society's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

4 INCOME AND OTHER REVENUE

The principal activities of the Society are to connect, support and celebrate adoptive families in Hong Kong and to help educate the greater community about adoption. Revenues recognised during the period are as follows:

	3.3.2011 to 31.3.2012 HK\$
Income	
Donations	43,795
Membership fee income	25,350
Programs and events income	52,779
Sales of educational products	8,770
	<hr/> 130,694 <hr/>
Other revenue	
Sundry income	2,030
	<hr/> <hr/>
Total revenues	132,724 =====

5 SURPLUS FOR THE PERIOD

3.3.2011
to
31.3.2012
HK\$

Surplus for the period is stated after charging the following:

Auditors' remuneration	3,000
Cost of goods sold	7,406
	=====

6 TAXATION

Hong Kong profits tax has not been provided as the Society is exempted from Hong Kong profits tax under section 88 of the Hong Kong Inland Revenue Ordinance.

7 STEERING COMMITTEE MEMBERS' EMOLUMENTS

The steering committee members received no fees or other emoluments for their services rendered to the Society during the period.

8 OPERATION FUNDS

	31.3.2012 HK\$	2.3.2011 HK\$
Balance at 31st March 2012/ 2nd March 2011	40,756	40,756
	=====	=====

The operation funds were advanced from the members at the beginning of establishment of the Society. If the Society was to dissolve, it would be required to distribute any remaining assets to a similar charity.

ADOPTIVE FAMILIES OF HONG KONG
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DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 3RD MARCH 2011 TO 31ST MARCH 2012

(For management purposes only)

	3.3.2011 to 31.3.2012 HK\$
Turnover	
Donations	43,795
Membership fee income	25,350
Programs and events income	52,779
Sales of educational products	8,770
	<hr/> 130,694 <hr/>
Cost of goods sold	
Purchases	8,564
Less: Closing stocks	(1,158)
	<hr/> 7,406 <hr/>
Gross surplus	<hr/> 123,288 <hr/>
Other revenue	
Sundry income	2,030
	<hr/> 125,318 <hr/>
Expenses	
Administrative and other operating expenses	
Advertising and promotion	2,521
Auditors' remuneration	3,000
Courier	71
Events expenses	42,279
Freight charges	1,424
Insurance	500
Office supplies	108
Paypal charges	894
Subscription and license fees	6,850
Sundry expenses	9
Travelling	8,535
	<hr/> 66,191 <hr/>
Surplus for the period	<hr/> 59,127 <hr/> <hr/>