

ADOPTIVE FAMILIES OF HONG KONG

**STEERING COMMITTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2013**

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

REPORT OF THE STEERING COMMITTEE

The steering committee members submit their report together with the audited financial statements for the year ended 31st March 2013.

PRINCIPAL ACTIVITIES

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.

RESULTS

The results of the Society for the year ended 31st March 2013 are set out in the statement of comprehensive income on page 5 of the financial statements.

STEERING COMMITTEE MEMBERS

The steering committee members of the Society during the year and up to the date of this report were:

Mina V. Weight	(Chairman)
Charles Letang	(Honorary Secretary)
Ember Deitz Goldstein	(Honorary Treasurer)
Gretchen Ryan	(Steering Committee Member)

There being no provision in the Society's Articles of Association for retirement by rotation, all steering committee members continue in office.

STEERING COMMITTEE MEMBERS' INTERESTS

No contracts of significance in relation to the Society's business to which the Society was a party and in which a steering committee member of the Society had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Society a party to any arrangements to enable the steering committee members of the Society to acquire benefits by means of admission of membership in the Society or any other body corporate.

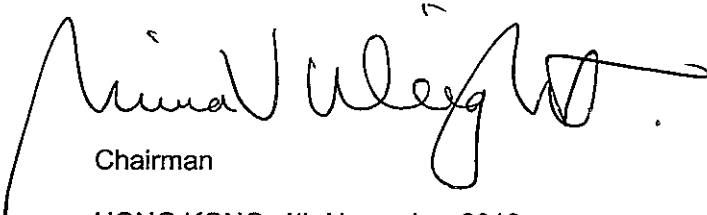
MANAGEMENT CONTRACTS

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 year.

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 'Mina Wiegman', written in a cursive style.

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 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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.

Auditors' responsibility

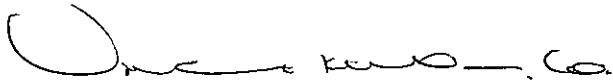
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 2013 and of its surplus and cash flows for the year then ended 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 YEAR ENDED 31ST MARCH 2013

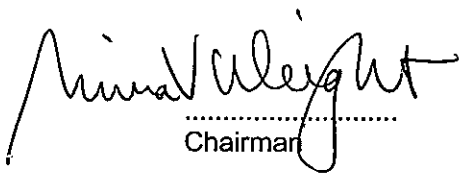
	Note	1.4.2012 to 31.3.2013 HK\$	3.3.2011 to 31.3.2012 HK\$
INCOME	4	182,700	130,694
COST OF GOODS SOLD		(6,415)	(7,406)
GROSS SURPLUS		<u>176,285</u>	<u>123,288</u>
OTHER REVENUE	4	1,090	2,030
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(96,992)	(66,191)
		<u>(95,902)</u>	<u>(64,161)</u>
SURPLUS FOR THE YEAR/ PERIOD	5	80,383	59,127
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/ PERIOD		<u>80,383</u>	<u>59,127</u>

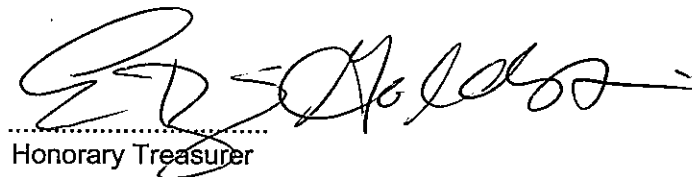
ADOPTIVE FAMILIES OF HONG KONG
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BALANCE SHEET
AS AT 31ST MARCH 2013

	Note	31.3.2013 HK\$	31.3.2012 HK\$
CURRENT ASSETS			
Accounts receivable		800	1,500
Other receivable		13,090	12,597
Prepayment		800	-
Stocks		1,360	1,158
Bank balances and cash		228,708	140,362
		<u>244,758</u>	<u>155,617</u>
CURRENT LIABILITIES			
Accruals		15,035	6,277
		<u>15,035</u>	<u>6,277</u>
NET CURRENT ASSETS		<u>229,723</u>	<u>149,340</u>
Financed by:			
OPERATION FUNDS	8	40,756	40,756
RETAINED SURPLUS		188,967	108,584
TOTAL FUNDS		<u>229,723</u>	<u>149,340</u>

Approved by the steering committee on 4th November 2013.


Chairman


Honorary Treasurer

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2013

	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	40,756	108,584	149,340
Surplus for the year	-	80,383	80,383
At 31st March 2013	40,756	188,967	229,723

ADOPTIVE FAMILIES OF HONG KONG
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STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31ST MARCH 2013

	1.4.2012 to 31.3.2013 HK\$	3.3.2011 to 31.3.2012 HK\$
OPERATING ACTIVITIES		
Surplus for the year/ period and operating surplus before working capital change	80,383	59,127
Decrease/ (increase) in accounts receivable	700	(1,150)
Increase in other receivable	(493)	(12,117)
Increase in prepayment	(800)	-
Increase in stocks	(202)	(1,158)
Increase in accruals	8,758	3,200
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NET CASH INFLOW FROM OPERATING ACTIVITIES AND INCREASE IN BANK BALANCES AND CASH	88,346	47,902
BANK BALANCES AND CASH AT 1ST APRIL 2012/ 3RD MARCH 2011	140,362	92,460
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BANK BALANCES AND CASH AT 31ST MARCH 2013/ 2012	228,708	140,362
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ADOPTIVE FAMILIES OF HONG KONG
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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 year/ period are as follows:

	1.4.2012 to 31.3.2013 HK\$	3.3.2011 to 31.3.2012 HK\$
Income		
Donations	33,620	43,795
Membership fee income	37,800	25,350
Programs and events income	101,400	52,779
Sales of educational products	9,880	8,770
	<u>182,700</u>	<u>130,694</u>
Other revenue		
Sundry income	1,090	2,030
	<u>183,790</u>	<u>132,724</u>

5 SURPLUS FOR THE YEAR/ PERIOD

1.4.2012 to 31.3.2013 HK\$	3.3.2011 to 31.3.2012 HK\$
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Surplus for the year/ period is stated after charging the following:

Auditors' remuneration	3,000	3,000
Cost of goods sold	6,415	7,406
	<u> </u>	<u> </u>

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 (period ended 31st March 2012: Nil).

7 STEERING COMMITTEE MEMBERS' EMOLUMENTS

The steering committee members received no fees or other emoluments for their services rendered to the Society during the year (period ended 31st March 2012: Nil).

8 OPERATION FUNDS

	31.3.2013 HK\$	31.3.2012 HK\$
Balance at 31st March 2013/ 2012	40,756	40,756
	<u> </u>	<u> </u>

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 YEAR ENDED 31ST MARCH 2013

(For management purposes only)

	1.4.2012 to 31.3.2013 HK\$	3.3.2011 to 31.3.2012 HK\$
Turnover		
Donations	33,620	43,795
Membership fee income	37,800	25,350
Programs and events income	101,400	52,779
Sales of educational products	9,880	8,770
	<u>182,700</u>	<u>130,694</u>
Cost of goods sold		
Opening stocks	1,158	-
Purchases	6,617	8,564
Less: Closing stocks	(1,360)	(1,158)
	<u>6,415</u>	<u>7,406</u>
Gross surplus	<u>176,285</u>	<u>123,288</u>
Other revenue		
Sundry income	1,090	2,030
	<u>177,375</u>	<u>125,318</u>
Expenses		
Administrative and other operating expenses		
Advertising and promotion	7,306	2,521
Auditors' remuneration	3,000	3,000
Bank charges	100	-
Courier	32	71
Events expenses	59,156	42,279
Freight charges	843	1,424
Insurance	800	500
Office supplies	88	108
Paypal charges	4,298	894
Subscription and license fees	5,723	6,850
Sundry expenses	500	9
Travelling	15,146	8,535
	<u>96,992</u>	<u>66,191</u>
Surplus for the year/ period	<u><u>80,383</u></u>	<u><u>59,127</u></u>