

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Reports and audited financial statements
For the year ended 30 June 2016

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Reports and audited financial statements
For the year ended 30 June 2016

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THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Report of the Executive board members

For the year ended 30 June 2016

The Executive Board Members have pleasure in submitting the annual report together with the audited financial statements for the year ended 30 June 2016.

Honorary president

Deborah Cooney is the Honorary President of the Association.

Executive board members

The Executive board members who held office during the year and up to the date of this report were:

President	Marcy LaRont	(Appointed on 1 July 2015)
First Vice President	Augusta Nichols-Even Amanda Foster	(Appointed on 1 July 2016) (Appointed on 1 July 2015 and resigned on 7 March 2016)
Second Vice President	Deborah Barrett Sharon Mason	(Appointed on 1 July 2016) (Appointed on 1 July 2015 and resigned on 30 June 2016)
Third Vice President	Linda Van Noy Lisa Strunin	(Appointed on 1 July 2016) (Appointed on 1 July 2014 and resigned on 30 June 2016)
Charitable Donations	Gabriela Caraman Andrea Roth	(Appointed on 1 July 2016) (Appointed on 1 July 2015 and resigned on 30 June 2016)
Community Service Treasurer	Susie Edrington Anne Fifer Patty Tarallo	(Appointed on 1 July 2015) (Appointed on 24 September 2015) (Appointed on 1 July 2015 and resigned on 23 September 2015)
Recording Secretary	Jennifer Kindel Kay Suzuki	(Appointed on 16 December 2015) (Appointed on 1 July 2015 and resigned on 2 November 2015)
Education and Scholarship	Helen Carruthers Sheila Twinn	(Appointed on 1 July 2016) (Appointed on 1 July 2015 and resigned on 30 June 2016)
Technical Development	Angela Bellas Chris Tight	(Appointed on 1 July 2016) (Appointed on 1 July 2015 and resigned on 30 June 2016)
Corporate Sponsorship	Nikola Andersson Lorraine Yam	(Appointed on 16 December 2015) (Appointed on 1 July 2014 and resigned on 2 December 2015)
PR and Communication Leadership Support	Rachel Bourke Lisa Strunin	(Appointed on 1 July 2015) (Appointed on 1 July 2016)

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Report of the Executive board members

For the year ended 30 June 2016

Principal activity

The Association is a non-profit making company. The principal activities of the Association during the year were fund raising activities for charities and education, and the provision of community services in Hong Kong.

The Association had 560 (2015: 814) members at the year end 30 June 2016.

Permitted indemnity provision

At no time during the financial year was there any permitted indemnity provisions in force for the benefit of the members of the Association.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of the members of the Association.

Management contract

The Association subsisted of no management contract by which an outsider undertaken the management or administration of the Association during the financial year.

Business review

The Association falls within reporting exemption for the financial year. Accordingly, the Association is exempted from preparing a business review.

Debenture issued

No debenture was issued by the Association during the financial year.

Approval of report of Executive Board Members

The report of Executive board members was approved by the Executive board of members on

By order of the Executive Board



Ms. Marcy LaRont
President

**Independent auditor's report
to the members of
THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED**
(incorporated in Hong Kong with limited liability)

Report on the financial statements

I have audited the financial statements of The American Women's Association of Hong Kong Limited (the "Association") set out on pages 5 to 12, which comprise the statement of financial position as at 30 June 2016, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive board members' responsibility for the financial statements

The Executive board 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 for such internal control as the Executive board members 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

My responsibility is to express an opinion on these financial statements based on my audit. This report is made solely to you, as a body, and for no other purpose. I do not assume responsibility towards or accept liability to any person for the contents of this report. I conducted my 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 I 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 considers 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Lau Pui Wing Certified Public Accountant (Practising)
Rm. B, 2/F., Chit Wing Bldg., 32-34 Tai Tong Rd., Yuen Long, N.T.

**Independent auditor's report
to the members of**

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED
(incorporated in Hong Kong with limited liability)

Opinion

In my opinion, the financial statements of the Association for the year ended to 30 June 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.

Lau Pui Wing
Certified Public Accountant (Practising)
Hong Kong

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Income Statement

For the year ended 30 June 2016

	Note	2016 HK\$	2015 HK\$
Fund raising activities	2	1,499,885	1,499,237
Less: Cost of income		(452,444)	(435,829)
Surplus from funds raising activities		1,047,441	1,063,408
Members' activities	2	2,966,112	3,144,733
Less: Cost of income		(2,721,582)	(2,738,455)
Surplus from members' activities		244,530	406,278
Members' subscriptions	2	827,243	627,545
Less: Cost of income		(59,189)	(74,079)
Surplus from members subscription		768,054	553,466
Advertising income	2	171,835	196,974
Less: Cost of income		(213,262)	(271,394)
Deficit from advertising income		(41,427)	(74,420)
Bank interest received	2	6,627	8,614
Credit card charges	2	(1,240)	43,569
Public relations - Miscellaneous advertising	2	-	1,400
Sundry income	2	15,800	15,532
Gain on disposal of fixed assets	2	-	2,000
Total surplus and income		2,039,785	2,019,848
Donations and scholarships		(1,038,097)	(1,001,135)
Administrative and other operating expenses		(1,456,436)	(1,405,891)
Net deficit for the year	3	(454,748)	(387,178)
Accumulated fund brought forward		18,302,109	18,741,879
Transfer of fund raising reserve		-	(52,592)
Accumulated fund carried forward		17,847,361	18,302,109

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

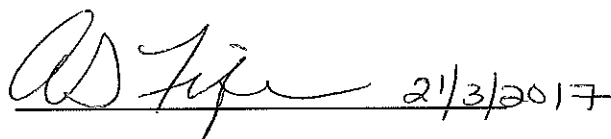
THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Statement of financial position at 30 June 2016

	Note	2016 HK\$	2015 HK\$
Non-current assets			
Property, plant and equipment	6	12,948,916	13,482,564
Current assets			
Accounts receivable		67,030	18,651
Utility deposits and prepayments		406,733	234,720
Cash and bank balances		5,641,821	5,095,685
Total current assets		6,115,584	5,349,056
Current Liabilities			
Accounts payable and accrued charges		(1,162,406)	(469,946)
Receipts in advance		(54,733)	(59,565)
Total current liabilities		(1,217,139)	(529,511)
Net current assets		4,898,445	4,819,545
Net assets		17,847,361	18,302,109
Reserves			
Operating reserves		1,080,000	1,080,000
Property maintenance and technology reserve		3,420,000	3,420,000
General reserve		13,347,361	13,802,109
Total reserves		17,847,361	18,302,109

Approved and authorised for issue by the Executive Board on


 Marcy LaRont
 President

 21/3/2017
 Anne Fifer
 Treasurer

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Statement of changes in reserves
For the year ended 30 June 2016

	Operating reserve	Property maintenance and technology reserve	General reserve	Total
	HK\$	HK\$	HK\$	HK\$
Balance at 1 July 2015	1,080,000	3,420,000	13,802,109	18,302,109
Loss of the year	-	-	(454,748)	(454,748)
Balance at 30 June 2016	1,080,000	3,420,000	13,347,360	17,847,361

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Statement of cash flow

For the year ended 30 June 2016

	2016	2015
	HK\$	HK\$
Cash flows from operating activities		
Deficit for the year	(454,748)	(387,178)
Adjustments for		
Fund raising income transfer from reserve	-	(52,592)
Bank interest income	(6,627)	(8,614)
Credit card charges	1,240	(43,569)
Gain on disposal of fixed assets	-	(2,000)
Depreciation on property, plant and equipment	533,648	512,931
Operating surplus / (deficit) before changes in working capital	<u>73,513</u>	18,978
Decrease / (Increase) in accounts receivable	(48,379)	24,138
Decrease / (Increase) in utility deposits and prepayments	(172,013)	64,677
Increase / (Decrease) in accounts payable and accrued charges	692,460	(251,754)
(Decrease) / Increase in receipts in advance	(4,832)	6,885
Cash used in operations	<u>540,749</u>	(137,076)
Investing activities		
Payments for purchase of property, plant and equipment	-	(189,000)
Gain from sale of copier	-	2,000
Bank interest income	6,627	8,614
Credit card charges	(1,240)	43,569
Net cash used in investing activities	<u>5,387</u>	(134,817)
Net increase / (decrease) in cash and cash equivalents	<u>546,136</u>	(271,893)
Cash and cash equivalents at the beginning of year	<u>5,095,685</u>	5,367,578
Cash and cash equivalents at the end of year	<u><u>5,641,821</u></u>	<u><u>5,095,685</u></u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

Reporting entity

The American Women's Association of Hong Kong Limited is a company incorporated in Hong Kong limited by guarantee. The Association's registered office is located at 11/F., Arion Commercial Centre, 2-12 Queen's Road West, Hong Kong. The principal activities of the Association during the year were fund raising activities for charities and education, and the provision of community services in Hong Kong.

1. Basis of preparation and accounting policies

The Association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its 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.

These financial statements comply with the SME-FRS and has been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

a) Revenue

Revenue is measured at the fair value of the consideration received or receivable:

- i) Income from fund raising activities and members' activities and subscriptions are recognised when the company becomes entitled to the donations and activities receipts, and it is probable that they will be received, which is generally upon the receipt of cash;
- ii) Income from member's activities is recognised when the activity takes place;
- iii) Advertising and annual bazaar revenue is recognised when the relevant services are provided,
- iv) Interest income is recognised as it accrues using the effective interest method; and
- v) Credit card charges when the company becomes entitled to the charges.

1. Basis of preparation and accounting policies (continued)

b) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows :

Land	Over the lease term
Building	Shorter of the unexpired term of lease and its estimated useful life of 50 years
Office renovation	5%
Furniture and fixtures	10% - 25%
Office equipment	10% - 33%
Computer	25%

c) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of furniture, motor vehicles and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Association's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

e) Retirement benefits scheme

The Association operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Association in an independently administered fund. The Association's employer contributions vest fully with the employees when contributed into the MPF Scheme.

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Accounting policies and explanatory notes to the financial statements For the year ended 30 June 2016

1. Basis of preparation and accounting policies (continued)

f) Trade, prepayment and other receivables

Trade, prepayment and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

2. Revenue

An analysis of the association's revenue is as follows:

	2016 HK\$	2015 HK\$
Fund raising activities	1,499,885	1,499,237
Members' activities	2,966,112	3,144,733
Members' subscriptions	827,243	627,545
Advertising income	171,835	196,974
Bank interest received	6,627	8,614
Credit card (charges) / rebate	(1,240)	43,569
Sundry income	15,800	15,532
Gain on sale of office equipment	-	2,000
<hr/>		
Total	5,486,262	5,538,204
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3. Net deficit for the year

Net deficit for the year is arrived at after charging the following items:

	2016 HK\$	2015 HK\$
Depreciation	533,649	512,931
Key management personnel's remuneration		
Other staff costs (excluding directors' emoluments)		
- Salaries	559,000	522,710
- Mandatory provident fund	25,804	25,088
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THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Accounting policies and explanatory notes to the financial statements
For the year ended 30 June 2016

4. Executive board members' remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

	2016	2015
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-

5. Income tax expenses

No provision for taxation has been made as the Association is exempted from tax liabilities under Section 88 of the Inland Revenue Ordinance by reason of being a charitable institution.

6. Property, plant and equipment

	Land and building	Office renovation	Furniture and fixtures	Office equipment	Computer	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Cost						
Balance at 1.7.2015 and at 30.6.2016	12,082,584	1,685,122	215,333	248,491	347,700	14,579,230
Accumulated depreciation						
Balance at 1.7.2015	687,627	174,846	49,017	119,981	65,194	1,096,665
Charge for the year	294,697	84,257	21,107	46,663	86,925	533,649
Balance at 30.6.2016	982,324	259,103	70,124	166,644	152,119	1,630,314
Net book value at 30.6.2016	11,100,260	1,426,019	145,209	81,847	195,581	12,948,916
Net book value at 30.6.2015	11,394,957	1,510,276	166,316	128,510	282,506	13,482,565

7. Approval of financial statements

These financial statements were approved by the Executive Board Members and authorised for issue on

Detailed income statement*For the year ended 30 June 2016**(For management information purpose only)*

	2016 HK\$	2015 HK\$
Revenue - Fund raising		
Donations	251,481	308,658
Event revenue	177,998	69,627
Souvenirs	-	3,383
Sponsorships	62,000	32,000
Vendor table sales	331,000	423,722
Event ticket sales	209,844	90,325
Bake sale	11,777	61,688
Auction	383,615	346,080
Raffle tickets	54,730	68,360
Advertising	4,740	1,500
Miscellaneous income	12,700	93,894
Total revenue	1,499,885	1,499,237
Cost of income		
Advertising/Inserts	34,598	20,433
Mailing expense	1,293	1,500
Miscellaneous expense	186,469	135,296
Postage	-	1,672
Printing/Artwork	17,562	7,008
Venue, transportation, decoration, food and beverage	204,472	267,525
Raffle tickets	7,300	1,645
Insurance	750	750
Total cost	452,444	435,829
Gross profit - Fund raising	1,047,441	1,063,408
Revenue - Subscriptions from Members		
Annual dues	741,061	550,198
Advertising / Inserts	9,902	920
General meetings/events	76,280	66,427
Sponsor	-	10,000
Total revenue	827,243	627,545
Cost of income		
Members general meeting/events	57,529	69,594
Members printing/artwork	1,660	4,485
Total cost	59,189	74,079
Gross profit - Subscriptions from members	768,054	553,466

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED
For the year ended 30 June 2016

Detailed income statement

For the year ended 30 June 2016

(For management information purpose only)

	2016 HK\$	2015 HK\$
Revenue - members' activities		
Local tours	502,787	489,486
Other activities	154,864	169,665
Asian tours	2,295,614	2,482,502
Asian tours cancellation fee	12,847	2,050
Sale of drinks in office	-	1,030
Total revenue	2,966,112	3,144,733
Cost of income		
Asian tours - Coordinators' miscellaneous expenses	41,798	29,670
Asian tours - Printing/artwork	3,010	1,120
Asian tours - travel agent	2,144,945	2,291,832
Local tours	372,020	325,847
Other activities (Asian Tours)	154,864	86,270
Public relations / Marketing	1,445	216
Membership fee for American Chamber of Commerce	3,500	3,500
Total cost	2,721,582	2,738,455
Gross profit - members' activities	244,530	406,278
Revenue - advertising		
AWARE-Advertising/Inserts	162,435	192,074
Website/E-Newsletter	9,400	4,900
Total revenue	171,835	196,974
Cost of income		
AWARE - Mailing services	13,209	1,058
AWARE - Postage	24,920	34,919
AWARE - Printing/Artwork	175,133	235,417
Total cost	213,262	271,394
Gross loss - advertising	(41,427)	(74,420)

Detailed income statement*For the year ended 30 June 2016**(For management information purpose only)*

	2016	2015
	HK\$	HK\$
Miscellaneous revenue		
Interest income	6,627	8,614
Credit card (charges) / rebate	(1,240)	43,569
Public relations - Miscellaneous advertising	-	1,400
Miscellaneous Income	15,800	15,532
Gain on disposal	-	2,000
Total miscellaneous revenue	21,187	71,115
Total revenue	2,039,785	2,019,848
Administrative and other operating expenses		
Accounting fee	20,700	25,500
Audit fee	13,000	12,000
Bank charges	134,190	92,630
Building management fee	27,888	23,807
Computer expenses	6,132	5,285
Depreciation	533,649	512,931
Electricity, water and gas	13,669	13,477
Government rent and rates	10,075	8,450
Insurance	29,731	25,132
Legal and professional fee	-	7,800
MPF contributions	25,804	25,088
Office supplies	15,070	19,854
Postage	2,115	8,607
Printing and stationery	2,259	1,561
Repairs and maintenances	21,698	47,410
Staff salaries	559,000	522,710
Sundry expenses	13,864	3,199
Telephone and internet charges	11,152	9,433
Transportation	213	66
Water and beverage supply	2,768	2,560
Web-site hosting and management	13,459	38,391
Total administrative and other operating expenses	1,456,436	1,405,891
Donations	883,085	764,835
Scholarships	155,012	236,300
Total cost	2,494,533	2,407,026
Loss for the year	(454,748)	(387,178)