

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Reports and audited financial statements
For the year ended 30 June 2017

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Reports and audited financial statements
For the year ended 30 June 2017

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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 2017

The Executive Board Members have pleasure in submitting the annual report together with the audited financial statements for the year ended 30 June 2017.

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	Andrea Roth Marcy LaRont	(Appointed on 1 July 2017) (Appointed on 1 July 2015 and resigned on 30 June 2017)
First Vice President (Fund Raising)	Gunjali Singh Augusta Nichols-Even	(Appointed on 1 July 2017) (Appointed on 1 July 2016 and resigned on 30 June 2017)
Second Vice President (Membership)	Jean Han Deborah Barrett	(Appointed on 20 April 2017) (Appointed on 1 July 2016 and resigned on 2 February 2017)
Third Vice President (Activities)	Tracey Lee Hayes Linda Van Noy	(Appointed on 1 July 2017) (Appointed on 1 July 2016 and resigned on 30 June 2017)
Education and Scholarship Treasurer	Helen Carruthers Annie Fifer	(Appointed on 1 July 2016) (Appointed on 24 September 2015)
Recording Secretary Charitable Donations	Jennifer Kindel Gabriela Caraman	(Appointed on 16 December 2015) (Appointed on 1 July 2016)
Public relations and Communications Community Service	Rachel Bourke Lee Parr Susie Edrington	(Appointed on 1 July 2015) (Appointed on 1 July 2017) (Appointed on 1 July 2015 and resigned on 30 June 2017)
Corporate Sponsorship	Nikola Andersson	(Appointed on 16 December 2015 and resigned on 30 June 2017)
Leadership Support	Lisa Strunin	(Appointed on 1 July 2016 and resigned on 30 June 2017)
Technical Development	Angela Bellas	(Appointed on 1 July 2016 and resigned on 30 June 2017)
Strategic Adviser	Robin Fine	(Appointed on 1 July 2017)

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Report of the Executive board members

For the year ended 30 June 2017

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 639 (2016: 560) members at the year end 30 June 2017.

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 21 MAR 2018

By order of the Executive Board



Ms. Andrea Roth
President

Cheng Ming Kei Certified Public Accountant (Practising)

Rm. 23, 1/F., Block 2 Camelpaint building, 62 Hoi Yuen Road, Kwun Tong, Kowloon.

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

Opinion

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 2017 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my 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

I conducted my audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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 HKICPA. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Executive board members and those charged with governance for the financial statements

The Executive board are responsible for the preparation of 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 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.

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

Auditor's responsibility

My 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 my opinion.

Cheng Ming Kei Certified Public Accountant (Practising)

Rm. 23, 1/F., Block 2 Camelpaint building, 62 Hoi Yuen Road, Kwun Tong, Kowloon.

Independent auditor's report to the members of

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

(incorporated in Hong Kong with limited liability)

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.

As part of an audit in accordance with HKSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive board members.
- Conclude on the appropriateness of the Executive board members use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit with the Hong Kong Companies Ordinance.



Cheng Ming Kei
Certified Public Accountant (Practising)
Hong Kong

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Income Statement

For the year ended 30 June 2017

	Note	2017 HK\$	2016 HK\$
Fund raising activities	2	2,238,235	1,499,885
Less: Cost of income		(955,937)	(452,444)
Surplus from funds raising activities		1,282,298	1,047,441
Members' activities	2	1,843,809	2,966,112
Less: Cost of income		(1,647,096)	(2,721,582)
Surplus from members' activities		196,713	244,530
Members' subscriptions	2	894,169	827,243
Less: Cost of income		(73,733)	(59,189)
Surplus from members subscription		820,436	768,054
Advertising income	2	237,528	171,835
Less: Cost of income		(220,257)	(213,262)
Surplus / (Deficit) from advertising income		17,271	(41,427)
Bank interest received	2	67	6,627
Credit card charges	2	701	(1,240)
Sundry income	2	3,750	15,800
Total surplus and income		2,321,236	2,039,785
Donations and scholarships		(1,220,131)	(1,038,097)
Administrative and other operating expenses		(1,400,355)	(1,456,436)
Net deficit for the year	3	(299,250)	(454,748)
Accumulated fund brought forward		17,847,361	18,302,109
Accumulated fund carried forward		17,548,111	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 financial position at 30 June 2017

	Note	2017 HK\$	2016 HK\$
Non-current assets			
Property, plant and equipment	6	12,428,343	12,948,916
Current assets			
Accounts receivable		22,460	67,030
Utility deposits and prepayments		56,041	406,733
Cash and bank balances		5,504,194	5,641,821
Total current assets		5,582,695	6,115,584
Current Liabilities			
Accounts payable and accrued charges		(429,602)	(1,162,406)
Receipts in advance		(33,325)	(54,733)
Total current liabilities		(462,927)	(1,217,139)
Net current assets		5,119,768	4,898,445
Net assets		17,548,111	17,847,361
Reserves			
Operating reserves		1,080,000	1,080,000
Property maintenance and technology reserve		3,420,000	3,420,000
General reserve		13,048,111	13,347,361
Total reserves		17,548,111	17,847,361

Approved and authorised for issue by the Executive Board on



Andrea Roth
President



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 2017

	Operating reserve	Property maintenance and technology reserve	General reserve	Total
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Balance at 1 July 2016	1,080,000	3,420,000	13,347,361	17,847,361
Loss of the year	-	-	(299,250)	(299,250)
Balance at 30 June 2017	1,080,000	3,420,000	13,048,111	17,548,111

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 2017

	Note	2017 HK\$	2016 HK\$
Cash flows from operating activities			
Deficit for the year		(299,250)	(454,748)
Adjustments for			
Bank interest income		(67)	(6,627)
Credit card charges		(701)	1,240
Exchange difference		1,244	-
Depreciation on property, plant and equipment		520,573	533,648
Operating surplus before changes in working capital		221,799	73,513
Decrease / (Increase) in accounts receivable		44,570	(48,379)
Decrease / (Increase) in utility deposits and prepayments		350,692	(172,013)
Increase / (Decrease) in accounts payable and accrued charges		(732,804)	692,460
(Decrease) in receipts in advance		(21,408)	(4,832)
Cash used in operations		(137,151)	540,749
Investing activities			
Bank interest income		67	6,627
Credit card charges		701	(1,240)
Exchange difference		(1,244)	-
Net cash used in investing activities		(476)	5,387
Net (decrease) / increase in cash and cash equivalents		(137,627)	546,136
Cash and cash equivalents at the beginning of year		5,641,821	5,095,685
Cash and cash equivalents at the end of year		5,504,194	5,641,821

The notes on pages 10 to 15 form part of these financial statements.

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Accounting policies and explanatory notes to the financial statements For the year ended 30 June 2017

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 2017

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:

	2017 HK\$	2016 HK\$
Fund raising activities	2,238,235	1,499,885
Members' activities	1,843,809	2,966,112
Members' subscriptions	894,169	827,243
Advertising income	237,528	171,835
Bank interest received	67	6,627
Credit card rebate / (charges)	701	(1,240)
Sundry income	3,750	15,800
Total	5,218,259	5,486,262

3. Net deficit for the year

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

	2017 HK\$	2016 HK\$
Depreciation	520,573	533,649
Key management personnel's remuneration		
Other staff costs (excluding directors' emoluments)		
- Salaries	599,252	559,000
- Mandatory provident fund	26,402	25,804

4. Executive board members' remuneration

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

	2017 HK\$	2016 HK\$
Fees	-	-
Other emoluments	-	-

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Accounting policies and explanatory notes to the financial statements

For the year ended 30 June 2017

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 1.7.2016 and at 30.6.2017	12,082,584	1,685,122	215,333	248,491	347,700	14,579,230
Accumulated depreciation						
Balance at 1.7.2016	982,324	259,103	70,124	166,644	152,119	1,630,314
Charge for the year	294,697	84,256	21,106	33,589	86,925	520,573
Balance at 30.6.2017	1,277,021	343,359	91,230	200,233	239,044	2,150,887
Net book value at 30.6.2017	10,805,563	1,341,763	124,103	48,258	108,656	12,428,343
Net book value at 30.6.2016	11,100,260	1,426,019	145,209	81,847	195,581	12,948,916

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 2017**(For management information purpose only)*

	2017	2016
	HK\$	HK\$
Revenue - Fund raising		
Donations	348,342	251,481
Event revenue	50,745	177,998
Souvenirs	146,130	-
Sponsorships	335,700	62,000
Vendor table sales	-	331,000
Event ticket sales	740,020	209,844
Bake sale	89,424	11,777
Auction	502,367	383,615
Raffle tickets	-	54,730
Advertising	6,300	4,740
Miscellaneous income	19,207	12,700
Total revenue	2,238,235	1,499,885
Cost of income		
Advertising/Inserts	9,000	34,598
Mailing expense	1,065	1,293
Miscellaneous expense	285,185	186,469
Printing/Artwork	26,240	17,562
Venue, transportation, decoration, food and beverage	480,176	204,472
Raffle tickets	-	7,300
Insurance	1,000	750
Consultant Fee	153,271	-
Total cost	955,937	452,444
Gross profit - Fund raising	1,282,298	1,047,441
Revenue - Subscriptions from Members		
Annual dues	820,679	741,061
Advertising / Inserts	-	9,902
General meetings/events	73,490	76,280
Sponsor	-	-
Total revenue	894,169	827,243
Cost of income		
Members general meeting/events	58,132	57,529
Members printing/artwork	820	1,660
Bank charges	14,781	-
Total cost	73,733	59,189
Gross profit - Subscriptions from members	820,436	768,054

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED
For the year ended 30 June 2017

Detailed income statement

For the year ended 30 June 2017

(For management information purpose only)

	2017 HK\$	2016 HK\$
Revenue - members' activities		
Local tours	598,640	502,787
Other activities	157,641	154,864
Asian tours	1,085,968	2,295,614
Asian tours cancellation fee	-	12,847
Sale of drinks in office	1,560	-
Total revenue	1,843,809	2,966,112
Cost of income		
Asian tours - Coordinators' miscellaneous expenses	27,957	41,798
Asian tours - Printing/artwork	1,160	3,010
Asian tours - travel agent	1,005,875	2,144,945
Bank charges	31,387	-
Local tours	411,831	372,020
Other activities	157,641	154,864
Public relations / Marketing	8,745	1,445
Membership fee for American Chamber of Commerce	2,500	3,500
Total cost	1,647,096	2,721,582
Gross profit - members' activities	196,713	244,530
Revenue - advertising		
AWARE-Advertising/Inserts	227,008	162,435
Website/E-Newsletter	10,520	9,400
Total revenue	237,528	171,835
Cost of income		
AWARE - Mailing services	20,360	13,209
AWARE - Postage	9,497	24,920
AWARE - Printing/Artwork	190,400	175,133
Total cost	220,257	213,262
Gross Profit / (loss) - advertising	17,271	(41,427)

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED**Detailed income statement***For the year ended 30 June 2017**(For management information purpose only)*

	2017 HK\$	2016 HK\$
Miscellaneous revenue		
Interest income	67	6,627
Credit card (charges) / rebate	701	(1,240)
Miscellaneous Income	3,750	15,800
Total miscellaneous revenue	4,518	21,187
Total revenue	2,321,237	2,039,785
Administrative and other operating expenses		
Accounting fee	17,050	20,700
Audit fee	14,000	13,000
Bank charges	36,999	134,190
Building management fee	27,888	27,888
Computer expenses	1,730	6,132
Depreciation	520,573	533,649
Electricity, water and gas	12,514	13,669
Exchange difference	1,244	-
Government rent and rates	10,587	10,075
Insurance	27,559	29,731
MPF contributions	26,402	25,804
Office supplies and cleaning	14,564	15,070
Postage	5,056	2,115
Printing and stationery	9,042	2,259
Repairs and maintenances	37,267	21,698
Staff salaries	599,252	559,000
Sundry expenses	7,346	13,864
Telephone and internet charges	12,906	11,152
Transportation	-	213
Water and beverage supply	4,301	2,768
Web-site hosting and management	14,075	13,459
Total administrative and other operating expenses	1,400,355	1,456,436
Donations	1,037,174	883,085
Scholarships	182,957	155,012
Total cost	2,620,486	2,494,533
Loss for the year	(299,249)	(454,748)