

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Reports and audited financial statements
For the year ended 30 June 2018

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Reports and audited financial statements
For the year ended 30 June 2018

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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 2018

The Executive Board Members have pleasure in submitting the annual report together with the audited financial statements for the year ended 30 June 2018.

Honorary president

Mika Marumoto 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	(Appointed on 1 July 2017)
First Vice President (Fund Raising)	Robin Neiterman Gunjali Singh	(Appointed on 1 July 2018) (Appointed on 1 July 2017 and resigned on 30 June 2018)
Second Vice President (Membership)	Gail Souza Jean Han	(Appointed on 11 September 2018) (Appointed on 20 April 2017 and resigned on 28 August 2018)
Third Vice President (Activities)	Tracey Lee Hayes	(Appointed on 1 July 2017)
Education and Scholarship	Augusta Nichols-Even Helen Carruthers	(Appointed on 1 July 2018) (Appointed on 1 July 2016 and resigned on 30 June 2018)
Treasurer	Alison Doran Annie Fifer	(Appointed on 1 July 2018) (Appointed on 24 September 2015 and resigned on 30 June 2018)
Recording Secretary	Jessica Cheng Jennifer Kindel	(Appointed on 24 January 2018) (Appointed on 16 December 2015 and Resigned on 3 January 2018)
Charitable Donations	Beth McNicholas Gabriela Caraman	(Appointed on 1 July 2018) (Appointed on 1 July 2016 and resigned on 30 June 2018)
Public relations and Communications	Rachel Bourke	(Appointed on 1 July 2015)
Community Service	Lee Parr	(Appointed on 1 July 2017)
Corporate Sponsorship	Debbie Cruikshank	(Appointed on 1 April 2018)

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 717 (2017: 639) members at the year end 30 June 2018.

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Report of the Executive board members

For the year ended 30 June 2018

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. 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 6 to 13 which comprise the statement of financial position as at 30 June 2018 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 ("HKSA") 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.

Other Information

The Executive board are responsible for the other information. The other information comprises the information included in the directors report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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)

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.

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.

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

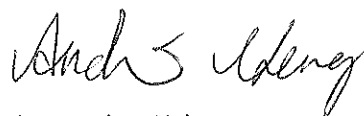
to the members of

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

(incorporated in Hong Kong with limited liability)

- 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 2018

	Note	2018 HK\$	2017 HK\$
Fund raising activities	2	1,430,629	2,238,235
Less: Cost of income		(471,010)	(955,937)
Surplus from funds raising activities		959,619	1,282,298
Members' activities	2	3,021,421	1,843,809
Less: Cost of income		(2,639,631)	(1,647,096)
Surplus from members' activities		381,790	196,713
Members' subscriptions	2	879,380	894,169
Less: Cost of income		(93,389)	(73,733)
Surplus from members subscription		785,991	820,436
Advertising income	2	106,815	237,528
Less: Cost of income		(211,644)	(220,257)
Surplus / (Deficit) from advertising income		(104,829)	17,271
Bank interest received	2	96	67
Credit card charges	2	2,817	701
Sundry income	2	0	3,750
Total surplus and income		2,025,485	2,321,236
Donations and scholarships		(1,119,434)	(1,220,131)
Administrative and other operating expenses		(1,506,470)	(1,400,355)
Net deficit for the year	3	(600,419)	(299,250)
Accumulated fund brought forward		17,548,111	17,847,361
Accumulated fund carried forward		16,947,692	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 financial position at 30 June 2018

	Note	2018 HK\$	2017 HK\$
Non-current assets			
Property, plant and equipment	6	11,911,650	12,428,343
Current assets			
Accounts receivable		-	22,460
Utility deposits and prepayments		265,948	56,041
Cash and bank balances		5,578,674	5,504,194
Total current assets		5,844,622	5,582,695
Current Liabilities			
Accounts payable and accrued charges		(770,779)	(429,602)
Receipts in advance		(37,802)	(33,325)
Total current liabilities		(808,580)	(462,927)
Net current assets		5,036,042	5,119,768
Net assets		16,947,692	17,548,111
Reserves			
Operating reserves		1,080,000	1,080,000
Property maintenance and technology reserve		3,420,000	3,420,000
General reserve		12,447,692	13,048,111
Total reserves		16,947,692	17,548,111

Approved and authorised for issue by the Executive Board on

Andrea Roth
President

Alison Doran
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 2018

	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 2017	1,080,000	3,420,000	13,048,111	17,548,111
Deficit for the year	-	-	(600,419)	(600,419)
Balance at 30 June 2018	1,080,000	3,420,000	12,447,692	16,947,692

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 2018

	Note	2018 HK\$	2017 HK\$
Cash flows from operating activities			
Deficit for the year		(600,419)	(299,250)
Adjustments for			
Bank interest income		(96)	(67)
Credit card rebate		(2,817)	(701)
Exchange difference		-	1,244
Depreciation on property, plant and equipment		516,693	520,573
Operating (deficit) / surplus before changes in working capital		<u>(86,639)</u>	<u>221,799</u>
Decrease in accounts receivable		22,460	44,570
(Increase) / Decrease in utility deposits and prepayments		(209,907)	350,692
Increase / (Decrease) in accounts payable and accrued charges		341,177	(732,804)
Increase / (Decrease) in receipts in advance		4,477	(21,408)
Cash used in operations		<u>71,567</u>	<u>(137,151)</u>
Investing activities			
Bank interest income		96	67
Credit card rebate		2,817	701
Exchange difference		-	(1,244)
Net cash used in investing activities		<u>2,913</u>	<u>(476)</u>
Net increase / (decrease) in cash and cash equivalents		74,480	(137,627)
Cash and cash equivalents at the beginning of year		<u>5,504,194</u>	<u>5,641,821</u>
Cash and cash equivalents at the end of year		<u>5,578,674</u>	<u>5,504,194</u>

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 2018

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.

Accounting policies and explanatory notes to the financial statements
For the year ended 30 June 2018

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 2018

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:

	2018 HK\$	2017 HK\$
Fund raising activities	1,430,629	2,238,235
Members' activities	3,021,421	1,843,809
Members' subscriptions	879,380	894,169
Advertising income	106,815	237,528
Bank interest received	96	67
Credit card rebate / (charges)	2,817	701
Sundry income	-	3,750
	<hr/>	<hr/>
Total	5,441,158	5,218,259

3. Net deficit for the year

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

	2018 HK\$	2017 HK\$
Depreciation	516,693	520,573
Key management personnel's remuneration		
Other staff costs (excluding directors' emoluments)		
- Salaries	647,699	599,252
- Mandatory provident fund	27,750	26,402

4. Executive board members' remuneration

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

	2018 HK\$	2017 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 2018

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 1.7.2017 and at 30.6.2018	12,082,584	1,685,122	215,333	248,491	347,700	14,579,230
Accumulated depreciation						
Balance at 1.7.2017	1,277,021	343,359	91,230	200,233	239,044	2,150,887
Charge for the year	294,697	84,256	20,947	29,868	86,925	516,693
Balance at 30.6.2018	1,571,718	427,615	112,177	230,101	325,969	2,667,580
Net book value at 30.6.2018	1,0510,866	1,257,507	103,156	18,390	21,731	11,911,650
Net book value at 30.6.2017	10,805,563	1,341,763	124,103	48,258	108,656	12,428,343

7. Contingent liability

The Association was notified by the Inland Revenue Department that exemption status of Section 88 might be withdrawn; as a result of which the Association will incur additional expenses in the payment of Business Registration fee and other tax expenses.

8. 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 2018**(For management information purpose only)*

	2018 HK\$	2017 HK\$
Revenue - Fund raising		
Donations	177,506	348,342
Event revenue	28,250	50,745
Souvenirs	42,955	146,130
Sponsorships	25,000	335,700
Vendor table sales	396,600	-
Event ticket sales	125,080	740,020
Hidden Treasure	112,300	-
Bake sale	123,234	89,424
Auction	264,350	502,367.00
Raffle tickets	87,300	-
Advertising	9,740	6,300
Miscellaneous income	38,314	19,207
Total revenue	1,430,629	2,238,235
Cost of income		
Advertising/Inserts	16,000	9,000
Mailing expense	1,357	1,065
Miscellaneous expense	185,894	285,185
Printing/Artwork	3,579	26,240
Venue, transportation, decoration, food and beverage	205,606	480,176
Insurance	750	1,000
Consultant Fee	18,000	153,271
Bank charges	39,825	-
Total cost	471,010	955,937
Gross profit - Fund raising	959,619	1,282,298
Revenue - Subscriptions from Members		
Annual dues	798,130	820,679
General meetings/events	61,250	73,490
Sponsor	20,000	-
Total revenue	879,380	894,169
Cost of income		
Members general meeting/events	68,609	58,132
Members printing/artwork	300	820
Bank charges	24,480	14,781
Total cost	93,389	73,733
Gross profit - Subscriptions from members	785,991	820,436

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED
For the year ended 30 June 2018

Detailed income statement

For the year ended 30 June 2018

(For management information purpose only)

	2018 HK\$	2017 HK\$
Revenue - members' activities		
Local tours	1,335,316	598,640
Other activities	207,995	157,641
Asian tours	1,469,651	1,085,968
Miscellaneous income-administration fee	7,500	-
Sale of drinks in office	959	1,560
Total revenue	3,021,421	1,843,809
Cost of income		
Asian tours - Coordinators' miscellaneous expenses	27,233	27,957
Asian tours - Printing/artwork	2,550	1,160
Asian tours - travel agent	1,270,870	1,005,875
Bank charges	84,000	31,387
Local tours	1,037,643	411,831
Other activities	211,835	157,641
Public relations / Marketing	3,000	8,745
Membership fee for American Chamber of Commerce	2,500	2,500
Total cost	2,639,631	1,647,096
Gross profit - members' activities	381,790	196,713
Revenue - advertising		
AWARE-Advertising/Inserts	104,815	227,008
Website/E-Newsletter	2,000	10,520
Total revenue	106,815	237,528
Cost of income		
AWARE - Mailing services	31,410	20,360
AWARE - Postage	13,434	9,497
AWARE - Printing/Artwork	166,800	190,400
Total cost	211,644	220,257
Gross (Loss) / Profit - advertising	(104,829)	17,271

THE AMERICAN WOMEN'S ASSOCIATION OF HONG KONG LIMITED

Detailed income statement

For the year ended 30 June 2018

(For management information purpose only)

	2018	2017
	HK\$	HK\$
Miscellaneous revenue		
Interest income	96	67
Credit card (charges) / rebate	2,817	701
Miscellaneous Income	-	3,750
Total miscellaneous revenue	2,913	4,518
Total revenue	2,025,485	2,321,237
Administrative and other operating expenses		
Accounting fee	15,000	17,050
Audit fee	15,500	14,000
Bank charges	-	36,999
Building management fee	28,584	27,888
Computer expenses	3,233	1,730
Depreciation	516,693	520,573
Electricity, water and gas	10,660	12,514
Exchange difference	-	1,244
Government rent and rates	10,250	10,587
Insurance	29,272	27,559
MPF contributions	27,750	26,402
Office supplies and cleaning	23,837	14,564
Postage	5,193	5,056
Printing and stationery	1,684	9,042
Repairs and maintenances	104,153	37,267
Staff salaries	647,699	599,252
Sundry expenses	12,710	7,346
Telephone and internet charges	10,957	12,906
Transportation	129	-
Water and beverage supply	2,665	4,301
Web-site hosting and management	40,502	14,075
Total administrative and other operating expenses	1,506,470	1,400,355
Donations	949,420	1,037,174
Scholarships	170,014	182,957
Total cost	2,625,904	2,620,486
Deficit for the year	(600,419)	(299,249)