

BRING ME A BOOK HONG KONG LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012**

馮梁會計師行
Fung, Leung & Co.
Certified Public Accountants

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012

<u>CONTENTS</u>	<u>PAGE</u>
REPORT OF THE BOARD OF GOVERNORS	1-2
REPORT OF THE AUDITORS	3
STATEMENT OF COMPREHENSIVE INCOME	4
BALANCE SHEET	5
STATEMENTS OF CHANGES IN GENERAL FUND	6
STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8-14

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED APRIL 30, 2012

The governors have pleasure in submitting their report with the audited financial statements for the year ended April 30, 2012.

Principal Activity

The principal activities of the company during the year were provision of easy access to the best children's book and to inspire parents to assist children for future success in school and life. There were no significant changes in the nature of the activities from those of the previous year.

Results

The result of the company for the year ended April 30, 2012 and the state of the company's affairs at that date are set out in the financial statements on pages 4 to 14.

Transfer to general Fund

Surplus of HK\$4,384,013 has been transferred to General Fund.

Property, Plant and Equipment

Significant changes in property, plant and equipment are set out in notes 8 to the financial statements.

The Board of Governors

The board of governors during the year and up to the date of this report were:

Lee, Su Hwei	
Chan, Yama	
Hotung, Joanna	
Dyer, Sarah Johanna	
Chung, Jacqueline Yuen Ki	(appointed on June 3, 2011)
Ho, Annie	(appointed on October 3, 2011)
Law, Suk Kwan Lilian	(resigned on March 10, 2011)
Tse, Sharie Ross	(resigned on October 3, 2011)
Fung, Linda	(resigned on April 30, 2012)
Lee, Christophe Kin Ping	(resigned on April 30, 2012)
Ng, Jacqueline Pun Lam	(resigned on August 28, 2012)

In accordance with articles 36 & 37 of the company's Articles of Association, all governors shall retire from office after a period of four years and eligible for re-election for another term of four years. All governors remain in office for the ensuing year.

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF GOVERNORS
FOR THE YEAR ENDED APRIL 30, 2012

(cont'd)

Governors' Interests in contracts of significance

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

Auditors

During the year, Messrs. Fung, Leung & Co. were appointed auditors of the Company.

A resolution for the re-appointment of Fung, Leung & Co. as auditors of the company is to be proposed at the forthcoming annual general Meeting.

On behalf of the Board



Chairman

Date : 28 NOV 2012

馮梁會計師行
Fung, Leung & Co.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BRING ME A BOOK HONG KONG LIMITED
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Bring Me A Book Hong Kong Limited ("the Company") set out on pages 4 to 14, which comprise the balance sheet as at April 30, 2012, and the statement of comprehensive income, statement of changes in general fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Governors' responsibility for the financial statements

The governors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standard for Private Entities issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors 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

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

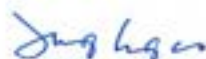
We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements 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 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 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 directors, 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 Company's affairs as at April 30, 2012, and of its surplus and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standard for Private Entities and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Fung, Leung & Co.
Certified Public Accountants
Hong Kong

Date: 28 NOV 2012

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED APRIL 30, 2012

	<u>Notes</u>	<u>2012</u> HK\$	<u>2011</u> HK\$
REVENUE	4	8,856,808	1,799,500
Add: Net surplus on a special project - Feng Zikai Chinese Children's Picture Book Award		408,612	70,924
Bank interest income		39	15
TOTAL INCOME		<u>9,265,459</u>	<u>1,870,439</u>
Less: Operating expenses		334,377	328,752
Fundraising event expenses		1,150,747	89,024
Program expenses		3,396,322	1,918,444
TOTAL EXPENSES		<u>4,881,446</u>	<u>2,336,220</u>
NET SURPLUS / (DEFICIT) FOR THE YEAR	5	4,384,013	(465,781)
GENERAL FUND BROUGHT FORWARD		3,563,345	4,029,126
GENERAL FUND CARRIED FORWARD		<u>7,947,358</u>	<u>3,563,345</u>

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT APRIL 30, 2012

	<u>Notes</u>	<u>2012</u> HK\$	<u>2011</u> HK\$
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	15,351	15,402
		<u>15,351</u>	<u>15,402</u>
CURRENT ASSETS			
Inventories	9	448,245	459,557
Other receivables	10	101,026	379,186
Bank and Cash	11	8,105,431	2,927,824
		<u>8,654,702</u>	<u>3,766,567</u>
CURRENT LIABILITIES			
Other payables	12	722,695	218,624
		<u>722,695</u>	<u>218,624</u>
NET CURRENT ASSETS		<u>7,932,007</u>	<u>3,547,943</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,947,358</u>	<u>3,563,345</u>
GENERAL FUND			
At May 1, 2011		3,563,345	4,029,126
Transfer from statement of comprehensive income / (loss)		4,384,013	(465,781)
- Surplus / (Deficit)		<u>7,947,358</u>	<u>3,563,345</u>

The financial statements on pages 4 to 14 were approved and authorized for issue by the board of governors on
 28 NOV 2012 and signed on its behalf by:



Governor



Governor

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

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF CHANGE IN GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2012

	HK\$
At April 30, 2010	4,029,126
(Deficit) for the year	(465,781)
At April 30, 2011	<u>3,563,345</u>
Surplus for the year	4,384,013
At April 30, 2012	<u><u>7,947,358</u></u>

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2012

	<u>2012</u> HKS	<u>2011</u> HKS
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus / (deficit) for the year	4,384,013	(465,781)
Depreciation	13,631	12,511
Interest received	(39)	(15)
Operating surplus / (deficit) before working capital changes	<u>4,397,605</u>	<u>(453,285)</u>
Decrease / (increase) in inventories	11,312	(97,964)
Decrease / (increase) in deposits and prepayment	307,624	(311,630)
(Increase) / decrease in other receivable	(29,464)	5,558
Increase in other payables	504,071	59,048
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	<u>5,191,148</u>	<u>(798,273)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(13,580)	(18,894)
Interest received	39	15
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(13,541)</u>	<u>(18,879)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,177,607	(817,152)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,927,824	3,744,976
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>8,105,431</u>	<u>2,927,824</u>

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012

1. GENERAL

The company is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Room 602, 10 Pottinger Street, Central, Hong Kong. The principal activities of the company are provision of easy access to the best children's books and to inspire parents to assist children for future success in school and life.

The financial statements are presented in Hong Kong dollars which is also the functional currency of the company.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, as modified by the revaluation of investment property at fair value.

Property, Plant and Equipment and Depreciation

Property, plant & equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost of property, plant & equipment over its estimated useful life using the straight line method at the following rate : -

Leasehold improvement	3 years
Office equipment	3 years

The gain or loss on disposal of property, plant & equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in the income and expenditure account.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is assigned by using the first-in, first-out formula. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Continued

Other receivables

Other receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts for cash and which are subject to an insignificant risk of changes in value.

Other payables

Other payables are initially measured at fair value and after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided that it is probable that the economic benefits associated with the revenue transaction will flow to the company and the revenue in respect of the transaction can be measured reliably. Revenue is recognised as follows:

- (i) Donations are recognised upon receipt.
- (ii) Interest income is recognised on a time basis by reference to the principal outstanding and at the interest rate applicable.

Foreign currency translation

Foreign currency transactions during the year are translated using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses are recognised in the income and expenditure account.

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Continued

Employee benefits

a) Retirement benefits costs

The company has participated in a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") for its employees in Hong Kong who are eligible to participate in the MPF scheme, in accordance with the Mandatory Provident Fund Schemes Ordinance. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income and expenditure account 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 Institute in an independently administered fund. The Institute's employer contributions vest fully with the employees when contributed into the MPF Scheme.

b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the expected liability for paid annual leave as a result of services rendered by the employees up to the balance sheet date.

Employee entitlements to sick leave are recognised when a sick leave entitlement is accrued, to the extent future sick leave taken is expected to be greater than entitlements to sick leave earned after the balance sheet date.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Company is the lessor, assets leased by the Company under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Company is the lessee, rentals payable under the operating leases are charged to income and expenditure account on the straight-line basis over the lease terms.

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have no significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

4. REVENUE

Revenue represents donations received during the year.

5. SURPLUS / (DEFICIT)

	<u>2012</u>	<u>2011</u>
	HK\$	HK\$
Surplus / (Deficit) is arrived at		
after charging : -		
Depreciation	13,631	12,511
Staff costs		
- Salaries: Program staff	1,113,915	973,022
Non-Program staff	73,392	62,047
- Retirement benefits scheme contributions: Program staff	38,016	33,903
Non-Program staff	3,336	3,102

6. INCOME TAX EXPENSE

The company is a charitable organization and exempted from taxation under Section 88 of the Inland Revenue Ordinance.

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012

7. GOVERNORS' REMUNERATION

During the year, none of the governors received any remuneration in respect of their services to the company (2011: Nil).

8. PROPERTY, PLANT & EQUIPMENT

	<u>Leasehold improvement</u> HK\$	<u>Office equipments</u> HK\$	<u>Total</u> HK\$
Cost : -			
Balance as at May 1, 2010	80,000	223,459	303,459
Additions for the year	-	18,894	18,894
Balance as at April 30, 2011	<u>80,000</u>	<u>242,353</u>	<u>322,353</u>
Additions for the year	-	13,580	13,580
Disposal for the year	-	(11,887)	(11,887)
Balance as at April 30, 2012	<u>80,000</u>	<u>244,046</u>	<u>324,046</u>
Accumulated depreciation : -			
Balance as at May 1, 2010	80,000	214,440	294,440
Depreciation for the year	-	12,511	12,511
Balance as at April 30, 2011	<u>80,000</u>	<u>226,951</u>	<u>306,951</u>
Depreciation for the year	-	13,631	13,631
Written-back for the year	-	(11,887)	(11,887)
Balance as at April 30, 2012	<u>80,000</u>	<u>228,695</u>	<u>308,695</u>
Net book value : -			
As at April 30, 2012	<u>-</u>	<u>15,351</u>	<u>15,351</u>
As at April 30, 2011	<u>-</u>	<u>15,402</u>	<u>15,402</u>

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012

9. INVENTORIES

Inventories comprise entirely of books.

10. OTHER RECEIVABLES

	<u>2012</u> HK\$	<u>2011</u> HK\$
Prepayments	32,034	29,970
Rental and utility deposits	37,086	346,774
Other receivables	31,906	2,442
	<u>101,026</u>	<u>379,186</u>

11. CASH AND CASH EQUIVALENTS

	<u>2012</u> HK\$	<u>2011</u> HK\$
Cash at bank	8,090,591	2,918,061
Cash on hand	14,840	9,763
	<u>8,105,431</u>	<u>2,927,824</u>

12. OTHER PAYABLES

	<u>2012</u> HK\$	<u>2011</u> HK\$
Accrued expenses	722,667	160,013
Other payable	28	58,611
	<u>722,695</u>	<u>218,624</u>

BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2012

13. FUND MANAGEMENT

The company's objectives when managing funds are:

- (i) To safeguard the Institute's ability to continue as a going concern, so that it continues to provide benefits for members and other stakeholders;
- (ii) To support the Institute's stability and growth; and
- (iii) To provide funds for the purpose of strengthening the Institute's risk management capability.

The company actively and regularly reviews and manages its fund structure to ensure optimal fund structure, taking into consideration the future fund requirements of the Institute and fund efficiency, prevailing and projected surplus, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

For fund management purpose, management regards general funds as fund.

14. COMMITMENT UNDER OPERATING LEASE

At April 30, 2012, the Company had total of future minimum lease payments under non-cancellable operating leases in respect of land and building are as follows:-

	<u>2012</u> HK\$	<u>2011</u> HK\$
Not later than one year	66,485	199,454
Later than one year	-	66,485
	<u>66,485</u>	<u>265,939</u>