

**BRING ME A BOOK HONG KONG LIMITED
(LIMITED BY GUARANTEE)**

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**



BRING ME A BOOK HONG KONG LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

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BRING ME A BOOK HONG KONG LIMITED

GOVERNORS' REPORT

The governors present their report on the affairs of the Company and the audited financial statements for the year ended 30 April 2018.

The Company 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 exempted from making certain disclosures in this governors' report.

Principal activities

Bring Me A Book Hong Kong Limited ("the Company") is a company limited by guarantee incorporated in Hong Kong. The Company's principal activities are fundraising, provision of easy access to quality children's books and to inspire parents to assist children for future success in school and life.

Results

The deficit of the Company for the year ended 30 April 2018 and the Company's financial position as at that date are set out in the financial statements on pages 6 to 12.

Debentures issued

No debenture was issued by the Company during the year.

Equity-linked agreements

No equity-linked agreement subsisted at the end of the year, or at any time during the year.

Permitted indemnity provision

No permitted indemnity provision was in force for the benefit of any of the governors of the Company, or of its associated company, at the time of approval of this governors' report, or at any time during the year.

Governors

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

BANG Michelle Jungmin

CHAN, Chi Yan

CHEN, Jennifer Mun Leong

CHUNG, Yuen Ki Jacqueline

HO, Annie

LEUNG, Yan Kay Phyllis

(appointed on 18 May 2017)

MATULA-HAKLI Christina

In accordance with articles 35 and 36 the Company's Articles of Association (amended on 8 May 2009), any governor or governors who has or have been in office for a period of four years, shall retire from office. A retiring governor shall be eligible for re-election for another term of four years and shall thereafter retire from office and shall not be further eligible for re-election.

BRING ME A BOOK HONG KONG LIMITED

GOVERNORS' REPORT


Governors (continued)

The Company did not enter into any contract, other than the contracts of service with the governors or any person engaged in the full-time employment of the Company, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any operation of the Company.

Auditors

The financial statements have been audited by OWKH Certified Public Accountants, Hong Kong, who retire and, being eligible, offer themselves for re-appointment.

ON BEHALF OF THE BOARD



.....
CHAN, Chi Yan
Chairman
26 October 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
BRING ME A BOOK HONG KONG LIMITED**
(A company limited by guarantee incorporated in Hong Kong)

Reports on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bring Me A Book Hong Kong Limited ("the Company") set out on pages 6 to 12, which comprise the statement of financial position as at 30 April 2018, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our 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

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

Responsibilities of Governors and Those Charged with Governance for the Financial Statements

The governors are responsible for the preparation of the 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 governors 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 governors 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 governors 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 Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. It is our responsibilities to form an independent opinion, based on our audit, on the financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 governors.
- Conclude on the appropriateness of the governors' 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We 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 we identify during our audit.



OWKH Certified Public Accountants
Hong Kong
26 October 2018

BRING ME A BOOK HONG KONG LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 HK\$	2017 HK\$
INCOME			
Revenue	3	5,936,792	13,029,438
Other income	4	<u>1,143</u>	<u>54</u>
		<u>5,937,935</u>	<u>13,029,492</u>
EXPENSES			
General and administrative expenses		(841,373)	(860,713)
Fundraising event expenses		(274,843)	(2,372,885)
Program expenses		<u>(7,261,884)</u>	<u>(4,920,188)</u>
		<u>(8,378,100)</u>	<u>(8,153,786)</u>
(Deficit)/ surplus for the year	5	<u>(2,440,165)</u>	<u>4,875,706</u>

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

STATEMENT OF FINANCIAL POSITION

AT 30 APRIL 2018

	Notes	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	8	65,158	71,126
CURRENT ASSETS			
Inventories		684,020	631,717
Deposits paid		194,799	156,150
Prepayments		124,452	131,807
Other receivables		58,300	-
Cash and cash equivalent		11,277,972	13,838,363
		<u>12,339,543</u>	<u>14,758,037</u>
CURRENT LIABILITIES			
Accruals and other payables		(481,301)	(461,783)
Deposits received		<u>(31)</u>	<u>(3,846)</u>
		<u>(481,332)</u>	<u>(465,629)</u>
NET CURRENT ASSETS			
		<u>11,858,211</u>	<u>14,292,408</u>
NET ASSETS			
		<u>11,923,369</u>	<u>14,363,534</u>
FUNDS			
Accumulated funds	9	<u>11,923,369</u>	<u>14,363,534</u>

Approved by



.....
CHAN, Chi Yan
Governor



.....
CHEN, Jennifer Mun Leong
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
ACCOUNTING POLICIES AND EXPLANATORY NOTES
FOR THE YEAR ENDED 30 APRIL 2018

1. GENERAL INFORMATION

Bring Me A Book Hong Kong Limited (“the Company”) is a company limited by guarantee incorporated in Hong Kong. The Company’s principal activities are fundraising, provision of easy access to quality children’s books and to inspire parents to assist children for future success in school and life.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company 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 have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of these financial statements.

Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably.

- (i) Donations are recognised upon receipt;
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

Foreign currency translation

The reporting currency of the Company is Hong Kong Dollars, which is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are converted at the exchange rates applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Leasehold improvements	33.33%
Furniture and fixtures	33.33%
Office equipment	33.33%

BRING ME A BOOK HONG KONG LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
FOR THE YEAR ENDED 30 APRIL 2018

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

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 property, plant and equipment. 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 depreciation), had no impairment losses been recognised for the asset in prior years.

Inventories

Inventories are stated at the lower of cost (using a first-in-first-out basis) and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Company if that person:
- i is a member of the key management personnel of the Company or of a parent of the Company;
 - ii has control over the Company; or
 - iii has joint control or significant influence over the Company or has significant voting power in it.
- (b) An entity is related to the Company if any of the following conditions applies:
- i the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - iii both entities are joint ventures of a third entity.
 - iv either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - vi the entity is controlled or jointly controlled by a person identified in (a).
 - vii a person identified in (a)(i) has significant voting power in the entity.

BRING ME A BOOK HONG KONG LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
FOR THE YEAR ENDED 30 APRIL 2018

3. REVENUE

The amounts of each significant category of revenue recognised during the year are as follows:

	2018	2017
	HK\$	HK\$
General donations	1,080,989	1,310,627
Fundraising event receipts	744,015	8,419,855
Special project donations	<u>4,111,788</u>	<u>3,298,956</u>
	<u>5,936,792</u>	<u>13,029,438</u>

4. OTHER INCOME

	2018	2017
	HK\$	HK\$
Bank interest income	45	54
Net exchange gains	<u>1,098</u>	<u>-</u>
	<u>1,143</u>	<u>54</u>

5. (DEFICIT)/ SURPLUS FOR THE YEAR

(Deficit)/ surplus for the year is arrived at after (charging)/ crediting the following items:

	2018	2017
	HK\$	HK\$
Auditor's remuneration	(38,000)	(20,000)
Depreciation		
- Included in general and administrative expenses	(57,845)	(118,463)
- Included in program expenses – special project expenses	(5,693)	(11,652)
Fundraising event expenses	(274,843)	(2,372,885)
Legal and professional fees	(6,800)	(5,725)
Net exchange gains/ (losses)	1,098	(704)
Occupancy charges and office supports	(250,379)	(248,490)
Office rent, rates and management fees	(363,433)	(360,045)
Special project expenses	(4,420,355)	(2,592,370)
Staff costs		
- Key management personnel's remuneration	-	-
- Other staff costs		
included in general and administrative expenses	(123,171)	(122,576)
included in program expenses	(1,594,355)	(1,562,764)
included in program expenses – special project expenses	<u>(721,006)</u>	<u>(927,008)</u>

BRING ME A BOOK HONG KONG LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
FOR THE YEAR ENDED 30 APRIL 2018

6. GOVERNORS' REMUNERATION

No governors received any fees or emoluments in respect of their services during the year (2017: HK\$nil).

7. INCOME TAX EXPENSE

No provision has been made for Hong Kong Profits Tax as the Company is exempted from tax under section 88 of the Hong Kong Inland Revenue Ordinance (2017: HK\$nil).

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
Costs				
At 1 May 2017	319,414	73,529	361,584	754,527
Additions	<u>-</u>	<u>-</u>	<u>57,570</u>	<u>57,570</u>
At 30 April 2018	319,414	73,529	419,154	812,097
Accumulated depreciation and impairment				
At 1 May 2017	304,340	67,861	311,200	683,401
Depreciation	<u>15,074</u>	<u>5,668</u>	<u>42,796</u>	<u>63,538</u>
At 30 April 2018	<u>319,414</u>	<u>73,529</u>	<u>353,996</u>	<u>746,939</u>
Net carrying amounts				
At 1 May 2017	<u>15,074</u>	<u>5,668</u>	<u>50,384</u>	<u>71,126</u>
At 30 April 2018	<u>-</u>	<u>-</u>	<u>65,158</u>	<u>65,158</u>

9. CHANGES IN FUNDS

	Accumulated funds HK\$
At 1 May 2017	14,363,534
Deficit for the year	<u>(2,440,165)</u>
At 30 April 2018	<u>11,923,369</u>

BRING ME A BOOK HONG KONG LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES
FOR THE YEAR ENDED 30 APRIL 2018

10. COMMITMENTS UNDER OPERATING LEASES

The Company had the following total future minimum lease payments payable under a non-cancellable operating lease in Hong Kong:

	2018 HK\$	2017 HK\$
Not later than one year	<u> -</u>	<u>505,440</u>

11. RELATED PARTY TRANSACTIONS

	2018 HK\$	2017 HK\$
Deposits received from a governor	<u> 31</u>	<u>3,846</u>

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Governors on 26 October 2018.

BRING ME A BOOK HONG KONG LIMITED**DETAILED INCOME STATEMENT****FOR THE YEAR ENDED 30 APRIL 2018****(FOR MANAGEMENT PURPOSES ONLY)**

	2018	2017
	HKS	HKS
Revenue		
-General donations	1,080,989	1,310,627
-Fundraising event receipts	744,015	8,419,855
-Special project donations	4,111,788	3,298,956
	<u>5,936,792</u>	<u>13,029,438</u>
 Add: Other income		
-Bank interest income	45	54
-Net exchange gains	1,098	-
	<u>1,143</u>	<u>54</u>
 Less: General and administrative expenses		
-Accounting fees	(36,000)	(36,000)
-Annual report production fees	-	(24,500)
-Auditor's remuneration	(38,000)	(20,000)
-Bank charges	(26,477)	(17,237)
-Depreciation	(57,845)	(118,463)
-Insurance	(6,631)	(3,300)
-Legal and professional fees	(6,800)	(5,725)
-Membership fees	(3,300)	(3,575)
-Net exchange losses	-	(704)
-Office rent, rates and management fees	(363,433)	(360,045)
-Office supplies and other expenses	(82,157)	(55,302)
-Rent for storage	(46,600)	(45,600)
-Repairs and maintenance	(10,577)	(11,105)
-Staff costs and related expenses	(123,171)	(122,576)
-Stamp duty	(1,649)	-
-Sundry expenses	(1,057)	-
-Telecommunications	(22,292)	(17,349)
-Utility expenses	(15,384)	(19,232)
	<u>(841,373)</u>	<u>(860,713)</u>
 Less: Fundraising event expenses		
-Fundraising events	(274,843)	(2,372,885)

BRING ME A BOOK HONG KONG LIMITED

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL 2018

(FOR MANAGEMENT PURPOSES ONLY)

	2018	2017
	HK\$	HK\$
Less: Program expenses		
-Books	(375,031)	(158,865)
-Community training	(201,130)	(120,333)
-First teacher training	(60,932)	(11,295)
-Marketing and promotion	(40,520)	(32,537)
-Materials	(250,729)	(148,028)
-Occupancy charges and office supports	(250,379)	(248,490)
-Special project expenses	(4,420,355)	(2,592,370)
-Staff costs and related expenses	(1,594,355)	(1,562,764)
-Staff training, conference and meeting expenses	(46,783)	(22,512)
-Travel and transportation	(18,114)	(9,397)
-Volunteer program	(3,556)	(13,597)
	<u>(7,261,884)</u>	<u>(4,920,188)</u>
 (Deficit)/ surplus for the year	 <u>(2,440,165)</u>	 <u>4,875,706</u>