

HONG KONG GUIDE DOGS ASSOCIATION LIMITED
香港導盲犬協會有限公司

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

For the year ended 31 December 2012



ENSON CPA LTD
安信會計師事務所有限公司

HONG KONG GUIDE DOGS ASSOCIATION LIMITED
香港導盲犬協會有限公司

DIRECTORS' REPORT

For the year ended 31 December 2012

The directors have pleasure in submitting their report together with the audited financial statements for the the year ended 31 December 2012.

Principal activities

The principal activities of the company during the year are set out in note 1 to the financial statements.

Results and appropriations

The results and state of affairs of the company for the year are set out in the financial statements on pages 3 to 9.

Directors

The directors in office during the year and at the date of this report were:

WONG, Sai Hung David

FONG, Tin Tai Ben

LI, Ka Sum Amy

TSANG, Kin Ping

CHI, Tan Ning Fianna

CHONG, Chan Yau

CHAU, Man Ki Mabel

NG, Wing Yin Winnie

LOO, Kwong Yun Frank (resigned on 13 January 2012)

TANG, Kwong Hung (resigned on 13 January 2012)

YUNG, So Ngan (resigned on 13 January 2012)

LO, Ping Kin (resigned on 14 February 2012)

LO, Po Man (resigned on 7 May 2012)

In accordance with article 31 of the company's Articles of Association, the term of office shall be two years and a director who retires shall be eligible for re-election.

Directors' interests in contracts

Save as disclosed in notes 6 and 10 to the financial statements, no contracts of significance to which the company was a party and in which directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

No substantial contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

Auditors

The financial statements have been audited by Enson CPA Limited, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the board



Chairman

Hong Kong,

24 MAY 2013

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
HONG KONG GUIDE DOGS ASSOCIATION LIMITED 香港導盲犬協會有限公司**
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Hong Kong Guide Dogs Association Limited set out on pages 3 to 9, which comprise the balance sheet as at 31 December 2012, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 company's affairs as at 31 December 2012 and of its deficit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



Enson CPA Limited
Certified Public Accountants
Hong Kong, 24 MAY 2013

Daniel Chun-Chiu Ng
Practising Certificate number P03796

HONG KONG GUIDE DOGS ASSOCIATION LIMITED
香港導盲犬協會有限公司

STATEMENT OF CASH FLOWS
For the year ended 31 December 2012

	Note	2012 HK\$	7.1.2011 to 31.12.2011 HK\$
Cash flows from operating activities			
Surplus / (deficit) for the year		(7,494)	62,663
- Adjustments		-	-
Cash inflows / (outflows) before working capital changes		(7,494)	62,663
Increase / (decrease) in accrued expenses and other payable		(28,210)	43,162
Increase / (decrease) in amount due to directors		4,253	5,401
<i>Net cash from / (to) operating activities</i>		<u>(31,451)</u>	<u>111,226</u>
Cash flows from investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		(31,451)	111,226
Cash and cash equivalents at the beginning of the year		<u>111,226</u>	<u>-</u>
Cash and cash equivalents at the end of the year		<u><u>79,775</u></u>	<u><u>111,226</u></u>
Analysis of balances of cash and cash equivalents			
Cash and bank balances		<u><u>79,775</u></u>	<u><u>111,226</u></u>

The accompanying notes formed an integral part of these financial statements.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED
香港導盲犬協會有限公司

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

1. Reporting Entity

Hong Kong Guide Dogs Association Limited is a limited liabilities company incorporated in Hong Kong which does not have a share capital and its liabilities are limited by guarantee, such that under the provision of the memorandum of association, every member shall, in the event of the company being wound up, contribute such amount as required to meet the liabilities of the company, but not exceeding HK\$1. The registered office of the company is currently located at Room 301, Level 3, Block B, Cyberport 4, 100 Cyberport Road, Cyberport, Hong Kong.

The principal activities of the company are to provide (1) well trained guide dogs to visually impaired persons in Hong Kong, (2) guide dogs mobility training to visually impaired persons and (2) other related activities.

2. Statement of compliance with Hong Kong Financial Reporting Standards

The company's financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong, that include Hong Kong Financial Reporting Standards (HKFRSs) and the requirements of the Hong Kong Companies Ordinance. A summary of significant accounting policies is set out in note 3.

3. Summary of significant accounting policies

(a) Basis of preparation of the financial statements

The measurement basis used in preparing the financial statements is historical cost.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any discounts and volume rebates allowed by the company. Provided that it is probable that the economic benefits associated with the revenue transaction will flow to the company and the revenue and the costs, if any, in respect of the transaction can be measured reliably, revenue is recognized as follows:

- (i) Donations are recognized as income on received,
- (ii) Non-refundable membership fees income are recognized as income on received,
- (iii) Government grants are recognised as income on received,
- (iv) Charity sales are recognised as income on received, and
- (v) Bank interest income is recognized on an accrual basis.

(c) Cash and cash equivalents

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

For the purpose of the statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the company's cash management are included as a component of cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

3. Summary of significant accounting policies (cont'd)

(d) Trade and other payables

Trade and other payables are initially measured at fair value and, after initial recognition, at amortized 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.

(e) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

4. Critical accounting estimates and judgment

The preparation of financial statements in conformity with HKFRSs requires management to make estimates, judgments and associated assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates, judgments and associated assumptions are continuously evaluated and based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

At the reporting date of these financial statements, there were no critical estimates, judgments and associated assumptions with uncertainty that may have a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next financial year.

5. Financial risk management objectives and policies

The company's principal financial instruments include cash and bank balances, receivables and all payables which are arisen from and maintained for its operations.

According to directors, there are no significant risk areas arising from the company's financial instruments at this stage of the company's operation.

6. Administrative service expenses

The amount HK\$140,000 (2011: Nil) was being reimbursement to the Department of Ophthalmology of the University of Hong Kong for providing a staff to provide marketing and administrative support to the company during the year.

Please note that a director of the company is a professor of the Department of Ophthalmology of the University of Hong Kong.

7. Directors' remuneration

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	2012	7.1.2011 to 31.12.2011
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-

HONG KONG GUIDE DOGS ASSOCIATION LIMITED
香港導盲犬協會有限公司

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

8. Income tax expenses

Since its incorporation, the company has been exempted from any tax in Hong Kong under section 88 of Inland Revenue Ordinance in view of its public and charitable character .

9. Amount due to directors

Amount due is unsecured, interest free and has no fixed term of repayment.

10. Related party transactions

In addition to the transactions / information disclosed elsewhere in these financial statements, during the year, the company had the following transactions with related parties:

<u>Nature of transactions</u>	<u>Related parties</u>	7.1.2011	
		2012	to 31.12.2011
		HK\$	HK\$
Membership fees income	Directors	800	1,200

11. Hong Kong Financial Reporting Standards issued but not yet effective for the year

HKFRSs that have been issued but are not yet effective for the year include the following HKFRSs which may be relevant to the company's operations and financial statements:

	Effective for annual periods beginning on or after
● HKFRS 12 <i>Disclosure of interests in other entities</i>	1 January 2013
● Amendments to HKAS 1 <i>Presentation of financial statements</i> - <i>Presentation of items of other comprehensive income</i>	1 July 2012

The company has not early adopted these HKFRSs. Initial assessment has indicated that the adoption of these HKFRSs would not have a significant impact on the company's financial statements in the year of initial application. The company will be continuing with the assessment of the impact of these HKFRSs and other significant changes may be identified as a result.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED
香港導盲犬協會有限公司

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	Note	2012 HK\$	7.1.2011 to 31.12.2011 HK\$
Income			
Donations income		193,473	183,531
Membership fees income		800	11,000
Government grants		21,100	-
Charity sales receipts		4,570	-
Bank interest income		2	1
		<u>219,945</u>	<u>194,532</u>
Expenditure			
Administrative service expenses	6	140,000	-
Advertising		10,290	-
Auditors' remuneration		7,000	7,000
Bank charges		1,500	720
Dog care expenses		8,920	14,287
Dog relocation expenses		-	18,364
Donations paid		-	3,000
Event expenses		15,227	29,509
Logo registration		1,950	-
Pantry expenses		-	2,800
Printing and stationery		863	9,605
Recruitment expenses		550	1,998
Secretarial expenses		693	150
Seminar and training		29,977	-
Sundry expenses		1,311	2,243
Travelling - local		-	29,635
Travelling - overseas		1,952	11,532
Volunteer expenses		6,000	-
Web site expenses		1,206	1,026
		<u>227,439</u>	<u>131,869</u>
Surplus / (deficit) for the year		<u>(7,494)</u>	<u>62,663</u>
Total comprehensive income / (deficit) for the year		<u>(7,494)</u>	<u>62,663</u>


The accompanying notes formed an integral part of these financial statements.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED
香港導盲犬協會有限公司

BALANCE SHEET
At 31 December 2012

	Note	2012 HK\$	2011 HK\$
Current assets			
Cash and bank balances		<u>79,775</u>	<u>111,226</u>
Current liabilities			
Accrued expenses and other payables		14,952	43,162
Amount due to directors	9	<u>9,654</u>	<u>5,401</u>
		<u>24,606</u>	<u>48,563</u>
Net current assets and net assets		<u><u>55,169</u></u>	<u><u>62,663</u></u>
Equity			
General fund		<u><u>55,169</u></u>	<u><u>62,663</u></u>

Approved and authorized for issue by the Board of Directors on 24 MAY 2013


 Director


 Director

The accompanying notes formed an integral part of these financial statements.

HONG KONG GUIDE DOGS ASSOCIATION LIMITED
香港導盲犬協會有限公司

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2012

	Note	2012 HK\$	7.1.2011 to 31.12.2011 HK\$
General fund at the beginning of the year		62,663	-
Total comprehensive income / (deficit) for the year		(7,494)	62,663
General fund at the end of the year		<u>55,169</u>	<u>62,663</u>

The accompanying notes formed an integral part of these financial statements.