

ACCA Charitable Foundation Limited  
Reports and Financial Statements  
For the year ended 31 December 2008



# Independent auditor's report

**To the members of ACCA Charitable Foundation Limited  
(INCORPORATED IN HONG KONG AS A COMPANY LIMITED  
BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

We have audited the financial statements of ACCA Charitable Foundation Limited set out on pages 2 to 9, which comprise the balance sheet as at 31 December 2008, and the statement of income and expenditure, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Governors' responsibility for the financial statements**

The governors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 141 of the 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 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 and 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 governors, 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 31 December 2008 and of its surplus 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 Companies Ordinance.



浩勤會計師事務所有限公司  
Hopkins CPA Limited  
Albert Man-Sum Lam  
Practising certificate number - P02080  
Hong Kong  
11 March 2009

# Statement of income and expenditure year ended 31 December 2008

	Notes	2008 HK\$	2007 HK\$
<b>Income</b>			
Net surplus from the Charity Fun Day	5	736,848	1,383,353
Subsidy from The Association of Chartered Certified Accountants		140,000	270,000
Rebate donations from affinity credit cards	3	44,610	99,911
Donations from ACCA Charitable Conference		100,900	-
Donations from Sichuan Earthquake Appeal		23,400	-
Other donations		43,615	37,720
Bank interest		4,988	20,950
		<b>1,094,361</b>	<b>1,811,934</b>
<b>Expenditure</b>			
Annual return filing fees		(305)	-
Bank charges		(450)	(300)
Charitable donations	6	(1,314,310)	(978,570)
ACCA Charitable Conference expenses		(11,947)	-
Other expenses		(20,839)	(7,840)
		<b>(1,347,851)</b>	<b>(986,710)</b>
<b>(Deficit) / Surplus for the year</b>		<b>(253,490)</b>	<b>825,224</b>

The annexed notes form an integral part of these financial statements.

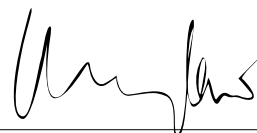
## Balance sheet at 31 December 2008

	2008 HK\$	2007 HK\$
<b>Current assets</b>		
Donation receivables from the Charity Fun Day	414,950	499,990
Cash and bank balances	1,667,114	1,202,219
	<b>2,082,064</b>	<b>1,702,209</b>
<b>Current liabilities</b>		
Donation payables	(632,510)	-
Sundry payables	(6,835)	(6,000)
	<b>(639,345)</b>	<b>(6,000)</b>
<b>Net assets</b>	<b>1,442,719</b>	<b>1,696,209</b>
<b>Surplus fund</b>	<b>1,442,719</b>	<b>1,696,209</b>

Approved by the Board of Governors on 11 March 2009.



**Kelly Chan**  
Governor



**May Law**  
Governor

The annexed notes form an integral part of these financial statements.

# Cash flow statement

## year ended 31 December 2008

	2008 HK\$	2007 HK\$
<b>Cash flows from operating activities</b>		
(Deficit) / Surplus for the year	(253,490)	825,224
Adjustments for:		
Bank interest income	(4,988)	(20,950)
Operating (deficit) / surplus before working capital changes	(258,478)	804,274
Decrease / (Increase) in donation receivables	85,040	(495,140)
Increase / (Decrease) in donation payables	632,510	(342,683)
Increase in sundry payables	835	6,000
Net cash generated from / (used in) operating activities	459,907	(27,549)
<b>Cash flows from investing activities</b>		
Bank interest income	4,988	20,950
Net increase / (decrease) in cash and cash equivalents	464,895	(6,599)
<b>Cash and cash equivalents at the beginning of year</b>	<b>1,202,219</b>	1,208,818
<b>Cash and cash equivalents at the end of year</b>	<b>1,667,114</b>	1,202,219
<b>Analysis of the balances of cash and equivalents</b>		
Cash and bank balances	1,667,114	1,202,219

# Statement of changes in equity

## year ended 31 December 2008

	Surplus fund HK\$
<b>Balance at 31 December 2006</b>	870,985
Surplus for the year 2007	825,224
<b>Balance at 31 December 2007</b>	1,696,209
Deficit for the year 2008	(253,490)
<b>Balance at 31 December 2008</b>	<b>1,442,719</b>

# Notes to the financial statements

## year ended 31 December 2008

### 1 GENERAL INFORMATION

#### a PRINCIPAL ACTIVITY

ACCA Charitable Foundation Limited is a company incorporated in Hong Kong limited by guarantee and not having a share capital. The liability of the members is limited to HK\$100 per member in the event of the company being wound up, whilst they remain a member, or within one year after they cease to be a member. The Company's registered office is located at Room 1901, 19/F., World Wide House, 19 Des Voeux Road Central, Hong Kong.

The Company is a non-profit making organisation and the principal activity of the Company is raising funds for donations to charitable organisations.

#### b STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with all applicable Hong Kong Accounting Standards ("HKAS"), HKFRS and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong.

The financial statements have been prepared in accordance with the Companies Ordinance.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the respective notes, if appropriate.

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year and which have not been adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application.

#### b REVENUE RECOGNITION

Rickshaw race entry fees and games stall takings and other activities entry fees are recognised on an accrual basis upon the completion of the Charity Fun Day.

Interest income is recognised on a time proportion basis using the effective interest method.

#### c CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, 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, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

#### d DONATION RECEIVABLES

Donation receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of donation receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of

receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of income and expenditure.

#### e DONATION AND OTHER PAYABLES

Donation payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 3 REBATE DONATIONS FROM ACCA / DAH SING BANK AFFINITY CREDIT CARDS

Under the agreement of the affinity credit card between Dah Sing Bank and ACCA, Dah Sing Bank will rebate on a monthly basis from 0.15% to 0.25% on the amount of retail spending by the affinity card holders to ACCA Charitable Foundation Limited.

### 4 TAXATION

No provision has been made for Hong Kong profits tax as the Company is exempted under Section 88 of Inland Revenue Ordinance.

### 5 NET SURPLUS FROM THE CHARITY FUN DAY

	2008 HK\$	2007 HK\$
<b>Income</b>		
Rickshaw race	150,486	368,340
Donations	143,390	100,744
Games stalls takings	65,750	127,750
Sponsorships	658,400	1,330,600
	<b>1,018,026</b>	1,927,434
<b>Expenditure</b>		
Advertisement	(6,000)	(9,000)
Game booth production	(371)	(978)
License fee	(1,350)	(5,760)
Printing and postage	(1,343)	(14,121)
Production fee	(2,421)	(2,888)
Professional fees	(230,000)	(454,000)
Sundry expenses	(20,987)	(14,533)
Transportation	(9,035)	(17,788)
Trophies and medals	(9,671)	(25,013)
	<b>(281,178)</b>	(544,081)
	<b>736,848</b>	1,383,353

### 6 CHARITABLE DONATIONS

	2008 HK\$	2007 HK\$
Helping Hand	340,800	-
Hong Kong Red Cross	200,000	-
International Social Service		
Hong Kong Branch	191,710	-
The Neighbourhood		
Advice-Action Council	97,500	-
Hong Kong Red Cross		
China Relief	324,300	-
Senior Citizen Home Safety		
Association	160,000	43,800
The Hong Kong PHAB		
Association	-	256,000
Harmony House Limited	-	87,670
Hong Kong Sheng Kung Hui		
St. Christopher's Home	-	226,000
The Boys' Brigade, Hong Kong	-	82,000
The Hong Kong Council of		
Social Service	-	100,000
The Parents' Association of Pre-school		
Handicapped Children	-	183,100
	<b>1,314,310</b>	978,570

# Notes to the financial statements

## year ended 31 December 2008

### 7 GOVERNORS' REMUNERATION

Remuneration of the Company's governors disclosed pursuant to section 161 of the Companies Ordinance is as follows:

	<b>2008</b>	2007
	<b>HK\$</b>	HK\$
Fees	-	-
Other emoluments	-	-
	<hr/>	<hr/>
	-	-

### 8 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to carry out its principal activities, i.e. raising funds for donations to charitable organisations. The Company's overall strategy remains unchanged from previous year.

The capital structure of the Company consist of surplus fund. In order to maintain or adjust the capital structure, the Company may appeal for donations from the general public.

### 9 CREDIT RISKS

Credit risks are managed on an company basis. Credit risks arise mainly from cash at banks, short-term deposits and donation receivables.

The Company's bank balances are deposited in internationally reputable banks. As such, no significant credit risk is anticipated. The Company also considers the credit risk on donation receivables as low and no additional impairment provision is required.

The Company's main source of income is donations from general public and other charitable organisations. It has no other significant financial assets which lead to any credit risks to the Company. Accordingly, the Company is of the opinion that the relevant credit risks of the Company is low without any significant concentration.

The maximum exposure to credit risks are represented by the carrying amount of each financial asset in the balance sheet.

### 10 INTEREST RATE RISKS

Interest rate risks are risks that fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

Apart from the bank balances, mainly denominated in Hong Kong dollar, which carry interest rate at market rates, the Company has no other significant interest-bearing assets and liabilities.

### 12 RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Company entered into the following significant related party transactions:

	<b>2008</b>	2007
	<b>HK\$</b>	HK\$
Subsidy from the Association of Chartered Certified Accountants	<hr/> <b>140,000</b>	<hr/> 270,000

### 11 COMPARATIVE FIGURES

Comparative figures have been revised in order to achieve a consistent presentation.

### 13 AUDITOR'S REMUNERATION

The audit of these financial statements have been performed on an honorary basis.

### 14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Governors on 11 March 2009.