

CHILD BUILDER ORGANIZATION LIMITED

REPORT OF THE DIRECTORS

AND

FINANCIAL STATEMENTS

FOR YEAR ENDED 30 SEPTEMBER 2018



何瑞祥會計師事務所

SPENCER HO CPA & CO.

Certified Public Accountants

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CHILD BUILDER ORGANIZATION LIMITED
REPORT OF THE DIRECTORS

The directors submit herewith their report together with the audited financial statements for the year ended 30 September 2018.

The Company qualifies for the reporting exemption as a small private company under section 359(3)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is exempted from making certain disclosures in this directors' report.

Principal activities

The company was engaged in provision of charitable activities to the public.

Results

The results of the company for the year ended 30 September 2018 and the state of affairs at that date are set out on pages 5 to 9.

Directors

The directors who held the office during the year and up to the date of this report were:-

Kai Ming Wah
Jue Wai Suet

There being no provision in the Company's Articles of Association to the contrary, all directors continue in office for the ensuing year.

Management contracts

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

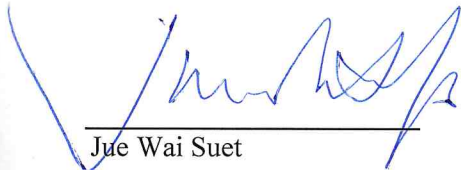
Auditors

The financial statements have been audited by Messrs. Spencer Ho CPA & Co. who retire and, being eligible, offer themselves for re-appointment.

Approval of Directors' report

The report was approved by the Directors on 30 JUN 2019

By Order of the Board



Jue Wai Suet
Director
Hong Kong,

**INDEPENDENT HONORARY AUDITOR'S REPORT
TO THE MEMBERS OF
CHILD BUILDER ORGANIZATION LIMITED
(incorporated in Hong Kong with limited by guarantee)**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Child Builder Organization Limited set out on pages 5 to 9, which comprise the balance sheet as at 30 September 2018, and the income statement, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory informations.

In our opinion, the financial statements of the Association are prepared, in all materials 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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing 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 Hong Kong Institute of Certified Public Accountants. 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 Association 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 directors 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 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we do not required to report that fact. We have nothing to report in

**INDEPENDENT HONORARY AUDITOR'S REPORT
TO THE MEMBERS OF
CHILD BUILDER ORGANIZATION LIMITED
(incorporated in Hong Kong with limited by guarantee)**

**RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE
FINANCIAL STATEMENTS**

The directors are responsible for the preparation of these 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 (HKICPA) 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.

In preparing the financial statements, the director are responsible for assessing the Association'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 Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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:-

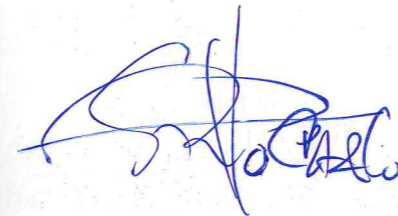
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

INDEPENDENT HONORARY AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF
CHILD BUILDER ORGANIZATION LIMITED
(incorporated in Hong Kong with limited by guarantee)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUE)

- 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 directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, bases 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 materials 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 Association to cease to continue as a going concern.

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.



Spencer Ho CPA & Co.
Certified Public Accountants (Practising)

30 JUN 2019

CHILD BUILDER ORGANIZATION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2018
(Expressed in Hong Kong dollars)

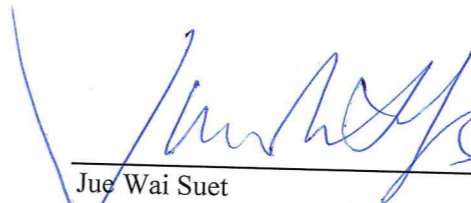
	2018 HK\$	2017 HK\$
INCOME		
Donation received	21,020	5,600
Other income	-	273
	<u>21,020</u>	<u>5,873</u>
LESS: EXPENDITURE		
Audit fee	4,000	4,000
Activities expenditures	-	4,758
Bank charges	-	510
Computer expenses	1,440	1,440
Subscription fee	-	550
Sundry expenses	-	409
	<u>5,440</u>	<u>11,667</u>
SUPLUS/(DEFICIT) FOR THE YEAR	<u>15,580</u>	<u>(5,794)</u>

The notes on pages 5 to 9 form part of these financial statements.

CHILD BUILDER ORGANIZATION LIMITED
STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2018
(Expressed in Hong Kong dollars)

	2018 HK\$	2017 HK\$
Current assets		
Prepayment	1,440	-
Cash and bank balances	<u>153,520</u>	<u>143,380</u>
	<u>154,960</u>	<u>143,380</u>
Current liability		
Accrued expenses	<u>4,000</u>	<u>8,000</u>
	<u>4,000</u>	<u>8,000</u>
Net assets	<u><u>150,960</u></u>	<u><u>135,380</u></u>
Fund		
General fund	<u><u>150,960</u></u>	<u><u>135,380</u></u>

These financial statements were approved and authorised for issue by the board of directors on
30 JUN 2019



Jue Wai Suet
Director



Kai Ming Wah
Director

The notes on pages 5 to 9 form part of these financial statements.

CHILD BUILDER ORGANIZATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Hong Kong dollars)

1. General Information

Child Builder Organization Limited was incorporated on 9 May 2007 under the Companies Ordinance as a company limited by guarantee with the registered office located at Flat 4, 1/F., Wah Tong Building, 38 Shau Kei Wan Road, Sai Wan Ho, Hong Kong, and moved to Rm2., 12/F., Sai Wan Ho Plaza, 68 Shau Kei Wan Rd., Hong Kong.

The company is a non-profit organization and was engaged in provision of charitable activities to the public.

The company has three members as at the balance sheet date. Under the provision of its Memorandum and Articles of Association, every member shall, in the event of the company being wound up, contribute such amount as may be required to meet the liabilities of the company but not exceeding the sum of HK\$100 each.

2. Basis of preparation and accounting policies

The Company qualifies for the reporting exemption as a small private company under section 359(3)(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.

Members of the Company undertake to provide unconditional financial assistance as is necessary to maintain the Company as a going concern. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing these financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The measurement base adopted is the historical cost convention.

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

Income recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably. Rental income is recognised on a time proportion basis over the lease terms. Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

- a. Donation received is earmarked for specific purposes are initially recorded.
- b. Membership income is recognised by receipt basis.
- c. Activity income is recognised when the performance tickets have been sold or donation received.
- d. Other income is recognised by receipt basis.

CHILD BUILDER ORGANIZATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Hong Kong dollars)

2. Principal accounting policies (continued)

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.

4. Directors' remuneration

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

	2018 HK\$	2017 HK\$
Fees	-	-
Other emoluments	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

5. Taxation

No provision for Hong Kong profits tax is made in the accounts as the company is an approved charitable institution, and is exempt from Hong Kong profits tax under section 88 of the Inland Revenue Ordinance.

CHILD BUILDER ORGANIZATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(Expressed in Hong Kong dollars)

6. Change in general fund

	General fund HK\$
Balance at 1 October 2016	141,174
(Deficit) for the year	<u>(5,794)</u>
Balance at 30 September 2017	135,380
Profit for the year	<u>15,580</u>
Balance at 30 September 2018	<u><u>150,960</u></u>

7. Approval of financial statements

These financial statements were authorized for issue by the company's board of directors

CHILD BUILDER ORGANIZATION LIMITED
DETAILED STATEMENT OF INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018
(FOR MANAGEMENT INFORMATION PURPOSE ONLY)
(Expressed in Hong Kong dollars)

	2018	2017
	HK\$	HK\$
ACTIVITIES		
Activities income	-	-
Activities expenditures	-	(4,758)
ACTIVITIES DEFICITS	<u>-</u>	<u>(4,758)</u>
NON-ACTIVITIES INCOME		
Donation received	21,020	5,600
Other income	-	273.00
	<u>21,020</u>	<u>5,873</u>
LESS: ADMINISTRATION AND OTHER EXPENDITURES		
Audit fee	4,000	4,000
Bank charges	-	510
Computer expenses	1,440	1,440
Subscription fee	-	550.00
Sundry expenses	-	409.00
Office premises		
	<u>5,440</u>	<u>6,909</u>
SUPLUS/(DEFICIT) FOR THE YEAR	<u>15,580</u>	<u>(5,794)</u>