

CHILD BUILDER ORGANIZATION LIMITED

REPORT OF THE DIRECTORS

AND

FINANCIAL STATEMENTS

FOR YEAR ENDED 30 SEPTEMBER 2021



何瑞祥會計師事務所

SPENCER HO CPA & CO.

Certified Public Accountants

Contents

Report of the Directors	1
Report of the Auditors	2-4
Income statement	5
Statement of Financial Position	6
Notes to the financial statements	7-9
Appendix - Detailed statement of Income (For management information purpose only)	10

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 2021.

The Company ("Association") qualifies for the reporting exemption as a small company with limited by guarantee 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 Association was engaged in provision of charitable activities to the public.

Results

The results of the Association for the year ended 30 September 2021 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 (Retired on 30 June 2021)

JUE, Wai Suet (Retired on 30 June 2021)

WONG, Andrew (Appointed on 15 April 2021)

CHEUNG, Pak Sun (Appointed on 15 April 2021)

Directors shall hold office for a term of one year and at expiration of the term of office all Directors shall retire from office but shall be eligible for re-election. A retiring Director shall act throughout the meeting at which he retires.

Management contracts

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

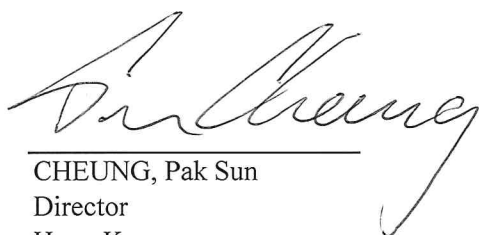
Auditors

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 May 2022.

By Order of the Board



CHEUNG, Pak Sun
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 statements of financial position as at 30 September 2021, and the income statement 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 Kong Companies Ordinance.

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 this regard.



**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 HKSAs 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 HKSAs, 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.



何瑞祥會計師事務所

SPENCER HO CPA & CO.

Certified Public Accountants

香港九龍長沙灣道21-25號長豐商業大廈702室
Room 702, Cheung Fung Commercial Building
21-25 Cheung Sha Wan Road, Kln, Hong Kong
Tel: 3426-7100 Fax: 3585-5119
Email: info@spencerhocpa.com

**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)
Date: 30 May 2022.

CHILD BUILDER ORGANIZATION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(Expressed in Hong Kong dollars)

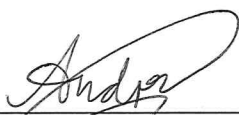
	2021 HK\$	2020 HK\$
INCOME		
Donation received	40,021.00	13,538.65
Other income	-	-
	<u>40,021.00</u>	<u>13,538.65</u>
LESS: EXPENDITURE		
Audit fee	4,000.00	4,000.00
Bank charges	1,790.25	500.00
Acitivies expenses	29,404.20	-
Computer expenses	30,000.00	1,440.00
Contribution to MPF	500.00	-
Local Travelling	190.00	-
Professional fee	60,472.00	-
Salary	10,000.00	-
Subscription fee	1,400.00	1,870.00
Sundry expenses	1,939.60	-
Telephone	48.00	-
	<u>(139,744.05)</u>	<u>7,810.00</u>
(DEFICIT)/SUPLUS FOR THE YEAR	<u><u>(99,723.05)</u></u>	<u><u>5,728.65</u></u>

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

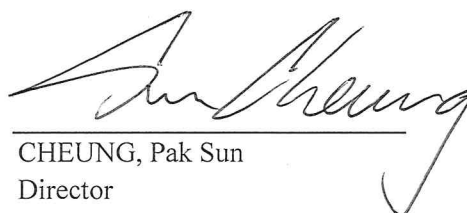
CHILD BUILDER ORGANIZATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021
(Expressed in Hong Kong dollars)

	2021 HK\$	2020 HK\$
Current assets		
Cash and bank balances	<u>51,005.60</u>	<u>151,668.65</u>
	<u>51,005.60</u>	<u>151,668.65</u>
Current liability		
Accrued expenses	<u>4,500.00</u>	<u>5,440.00</u>
	<u>4,500.00</u>	<u>5,440.00</u>
Net assets	<u><u>46,505.60</u></u>	<u><u>146,228.65</u></u>
Fund		
General fund	<u><u>46,505.95</u></u>	<u><u>146,228.65</u></u>

These financial statements were approved and authorised for issue by the board of directors on 30 May 2022.



WONG, Andrew
Director



CHEUNG, Pak Sun
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 Rm2., 12/F., Sai Wan Ho Plaza, 68 Shau Kei Wan Rd., Hong Kong, and recently moved to G07, G/F., Tai Po Arts Centre, 12 On Pong Road, Tai Po, New Territories on 24 March 2022.

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

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

2. Basis of preparation and accounting policies

The Association qualifies for the reporting exemption as a small company limited by guarantee 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.

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 Association 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.

Taxation

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

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 Association if that person:
- i. is a member of the key management personnel of the Association or of a parent of the Company;
 - ii. has control over the Company; or
 - iii. has joint control or significant influence over the Association or has significant voting power in it.
- (b) An entity is related to the Association if any of the following conditions applies:
- i. the entity and the Association 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 Association 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.

3. Revenue

	2021	2020
	HK\$	HK\$
Donation income	40,021.00	-
Other income	-	-
	<u>40,021.00</u>	<u>-</u>

4. Directors' remuneration

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

	2021	2020
	HK\$	HK\$
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

5. Taxation

No provision for Hong Kong profits tax is made in the accounts as the Association 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 2019	140,500.00
Surplus for the year	<u>5,729.00</u>
Balance at 30 September 2020	146,229.00
Deficit for the year	<u>(99,723.05)</u>
Balance at 30 September 2021	<u><u>46,505.95</u></u>

7. Approval of financial statements

These financial statements were authorized for issue by the company's board of directors on 30 May

CHILD BUILDER ORGANIZATION LIMITED
DETAILED STATEMENT OF INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(FOR MANAGEMENT INFORMATION PURPOSE ONLY)
(Expressed in Hong Kong dollars)

	2021 HK\$	2020 HK\$
ACTIVITIES		
Activities income	-	-
Activities expenditures	<u>(29,404.20)</u>	<u>-</u>
ACTIVITIES DEFICITS	<u>(29,404.20)</u>	<u>-</u>
NON-ACTIVITIES INCOME		
Donation received	40,021.00	13,538.65
Other income	<u>-</u>	<u>-</u>
	<u>40,021.00</u>	<u>13,538.65</u>
LESS: ADMINISTRATION AND OTHER EXPENDITURES		
Audit fee	4,000.00	4,000.00
Bank charges	1,790.25	500.00
Computer expenses	30,000.00	1,440.00
Contribution to MPF	500.00	-
Local Travelling	190.00	-
Professional fee	60,472.00	-
Salary	10,000.00	-
Consumables and tools	1,400.00	-
Sundry expenses	1,939.60	1,870.00
Telephone	<u>48.00</u>	<u>-</u>
	<u>(110,339.85)</u>	<u>(7,810.00)</u>
(DEFICIT)/SUPLUS FOR THE YEAR	<u>(99,723.05)</u>	<u>5,728.65</u>