

THE HONG KONG COMMITTEE  
ON CHILDREN'S RIGHTS LIMITED  
香港兒童權利委員會有限公司  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

TONY C. M. YAU & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
HONG KONG

The Hong Kong Committee on Children's Rights Limited  
香港兒童權利委員會有限公司  
Reports and financial statements  
For the year ended December 31, 2018

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THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

("THE ORGANISATION")

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee has pleasure in presenting the annual report and the audited financial statements of the organisation for the year ended December 31, 2018.

Principal activities

The principal activities of the organisation have not changed during the year and consisted of activities to :

- (1) promote, advance and ensure the rights of the children in Hong Kong;
- (2) develop and continuously update an agenda for the rights of the children in Hong Kong including the adoption of a child policy, a comprehensive Child Ordinance and the establishment of an independent Child Commission;
- (3) monitor the implementation of the United Nations Conventions on the Rights of the Child in Hong Kong; and
- (4) communicate and cooperate with local and international organisations on children's rights.

Results

The surplus of the organisation for the year ended December 31, 2018 is set out in the accompanying statement of comprehensive income.

General fund

Details of the movements in the General fund of the organisation during the year are set out in the accompanying statement of changes in general fund.

Executive Committee members

The Executive Committee members who held office during the year were as follows :

Mrs. Priscilla Lui, BBS (Chairperson)	
Dr. Chow Chun Bong, BBS, JP (Vice-Chairperson)	
Ms. Wai Pui Sheung (Hon. Treasurer)	
Ms. Angela Lee Nga Kam (Hon. Secretary)	
Dr. Anna Hui Na Na	
Mr. Lee Shiu Fung, Brian	
Mr. Ho Chi Kuen, Dennis	
Dr. Nia Pryde	
Dr. Shiu Yiu Keung	
Ms. Corinne Marie D' Almada Remedios	
Mr. Marwah Azan Aziz	(Appointed on September 14, 2018)
Ms. Poon Mak Sui Man	(Appointed on December 12, 2018)

#### Executive Committee members (cont'd)

In accordance with Articles 27, 28 and 29 of the organisation's Articles of Association, one half of the members of the Executive Committee for the time being shall retire from office. The members to retire shall be those who have been longest in office since their last election, but as between persons who became members of the Executive Committee on the same day those to retire shall be determined by lot. Retiring members shall be eligible for re-election. They are :

Mrs. Priscilla Lui, BBS  
Dr. Chow Chun Bong, BBS, JP  
Ms. Wai Pui Sheung  
Ms. Angela Lee Nga Kam  
Ms. Corinne Marie D' Almada Remedios  
Dr. Anna Hui Na Na

#### Management contracts

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

#### Permitted indemnity provision.

No permitted indemnity provision was in force for the Executive Committee members' benefits during the year and at the time of approval of this report.

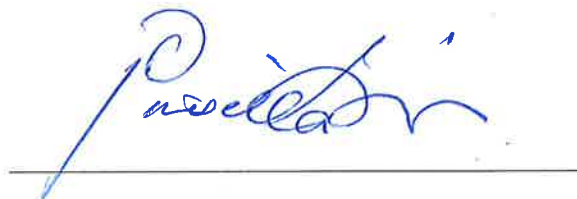
#### Business review

The organisation falls within the reporting exemption and accordingly is exempted from preparing a business review.

#### Auditor

The auditor, Messrs. Tony C. M. Yau & Company retire and being eligible, offer themselves for re-appointment.

On behalf of the Executive Committee



Mrs. Priscilla Lui, BBS  
Chairperson

26 AUG 2019

Hong Kong

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED 香港兒童權利委員會有限公司  
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

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Opinion

We have audited the financial statements of the Hong Kong Committee on Children's Rights Limited ("the Organisation") set out on pages 6 to 17, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, the statement of changes in general fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") 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 ("HKSAs") 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 Organisation in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Executive Committee members are responsible for the other information. The other information comprises the report of the Executive Committee and the detailed profit and loss account, 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED 香港兒童權利委員會有限公司  
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY) (CONT'D)

Responsibilities of Executive Committee members for the Financial Statements

The Executive Committee members are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the Executive Committee members 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 Executive Committee members are responsible for assessing the Organisation'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 Executive Committee members either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

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. This report is made solely to you, as a body, in accordance with Section 405 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.

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.

INDEPENDENT AUDITOR'S REPORT

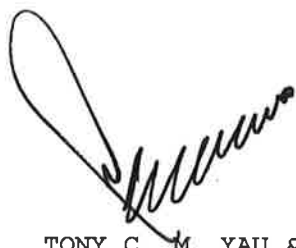
TO THE MEMBERS OF

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED 香港兒童權利委員會有限公司  
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY) (CONT'D)

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

- 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee members.
- Conclude on the appropriateness of the Executive Committee members' 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 Organisation'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 Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee members 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.



TONY C. M. YAU & COMPANY  
Certified Public Accountants  
Room 1509, C.C. Wu Building  
302-308 Hennessy Road  
Wanchai, Hong Kong

**26 AUG 2019**

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

(Expressed in Hong Kong dollars)

	Notes	2018	2017
<u>ASSETS AND LIABILITIES</u>			
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	2(b)&4	\$ 31,602	\$ 11,253
<u>CURRENT ASSETS</u>			
Sponsorship fund receivables	2(d)	\$ 142,554	\$ 185,494
Prepayment and deposits paid		17,149	16,276
Cash and cash equivalents	2(e)&5	<u>1,142,950</u>	<u>711,650</u>
		\$ 1,302,653	\$ 913,420
<u>LESS : CURRENT LIABILITIES</u>			
Accounts payable and accrued expenses	2(f)	\$ 37,474	\$ 13,472
Unutilised sponsorship funds	2(i)&8	334,998	51,806
Finance lease obligations - current portion	2(k)&9	<u>5,136</u>	<u>4,280</u>
		\$ 377,608	\$ 69,558
<u>NET CURRENT ASSETS</u>		\$ 925,045	\$ 843,862
<u>LESS : NON-CURRENT LIABILITIES</u>			
Finance lease obligations - non-current portion	2(k)&9	<u>\$ ( 20,116)</u>	<u>\$ -</u>
<u>TOTAL NET ASSETS</u>		<u>\$ 936,531</u>	<u>\$ 855,115</u>

See accompanying notes



THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

STATEMENT OF FINANCIAL POSITION (CONT'D)

DECEMBER 31, 2018

(Expressed in Hong Kong dollars)

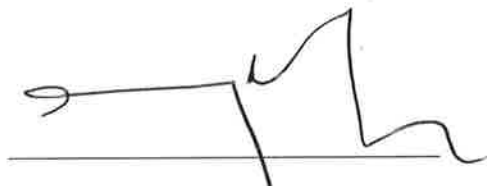
	<u>2018</u>	<u>2017</u>
Represented by :		
<u>ACCUMULATED FUND</u>		
General fund	\$ <u>936,531</u>	\$ <u>855,115</u>
TOTAL MEMBERS' FUND	\$ <u>936,531</u> =====	\$ <u>855,115</u> =====

Approved by the Executive Committee  
on

**26 AUG 2019**



Mrs. Priscilla Lui, BBS  
Chairperson



Ms. Angela Lee Nga Kam  
Hon. Secretary

See accompanying notes

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

(Expressed in Hong Kong dollars)

	<u>2018</u>	<u>2017</u>
<u>Revenues</u>		
Save the Children Hong Kong	\$ 905,109	\$ 858,394
Alliance for Children's Commission	98	-
Other donations	84,910	88,695
Membership fee	2,700	2,100
Sundry income	2,313	2,369
Income for Kids' Dream	7,219	2,510
Child Rights Coalition Asia	-	14,381
Children's Council 2018	218,108	-
Child Safeguarding Movement (financed by Plan International Hong Kong)	45,099	-
"New World made by KIDS" project (financed by New World Group Charity Foundation Limited)	12,505	188,838
Joint Open Statement on Children's Commission	45,500	-
Learning visit to Bhutan (financed by Save the Children Hong Kong)	-	13,035
Kids' Dream - "HorizonS" (financed by Save the Children Hong Kong)	-	2,260
Training workshop income	2,835	7,090
Training package income	5,095	-
Book project contribution	-	3,676
	<u>\$ 1,331,491</u>	<u>\$ 1,183,348</u>
Less: Expenditure	<u>( 1,250,075)</u>	<u>( 1,114,795)</u>
Surplus for the year	<u>\$ 81,416</u>	<u>\$ 68,553</u>
Total comprehensive income for the year transferred to General fund	<u>\$ 81,416</u>	<u>\$ 68,553</u>

See accompanying notes

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2018

(Expressed in Hong Kong dollars)

<u>EXPENDITURE</u>	<u>2018</u>	<u>2017</u>
Staff costs		
Salaries and welfare	\$ 744,585	\$ 735,260
MPF contribution	37,334	36,746
Staff development	2,400	7,168
	<u>\$ 784,319</u>	<u>\$ 779,174</u>
Administrative expenses		
Audit fee	\$ 4,000	\$ 4,000
Building management fee	7,484	7,172
Electricity and air-conditioning charges	6,505	10,618
Printing and stationery	5,896	6,982
Postage and courier	1,748	331
Telephone and communication	17,952	17,073
Transportation and travelling	753	214
Insurance	5,291	3,505
Depreciation	5,331	10,039
Repairs and maintenance	4,092	1,290
Cleaning fee	13,516	11,521
Rent and rates	995	3,980
Bank charge	1,210	350
Membership fee	-	1,880
	<u>\$ 74,773</u>	<u>\$ 78,955</u>
Programme expenses		
Promotion and publicity	\$ 18,300	\$ 17,400
Alliance for Children's Commission	20	400
Children's Council 2018	218,108	-
Joint Open Statement on Children's Commission	62,382	-
Child Safeguarding Movement	45,099	-
Programme and operating expenses for Kids' Dream	25,222	32,400
Child Rights Coalition Asia - Regional Children's Meeting	-	14,659
"New World made by KIDS" project	12,505	100,508
Roundtable - Children's Commission in Hong Kong	-	72,056
Child rights research	1,857	-
Learning visit to Bhutan	-	13,035
	<u>\$ 383,493</u>	<u>\$ 250,458</u>
Other charges		
Sundries	\$ 7,490	\$ 6,208
	<u>\$ 7,490</u>	<u>\$ 6,208</u>
Total expenditure	<u>\$ 1,250,075</u>	<u>\$ 1,114,795</u>

See accompanying notes

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

STATEMENT OF CHANGES IN GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

(Expressed in Hong Kong dollars)

	For general purposes	For Kid's Dream	Total
Balance at January 1, 2017	\$ 742,093	\$ 44,469	\$ 786,562
Surplus (deficit) for the year ended December 31, 2017	\$ 96,183	\$ ( 27,630)	\$ 68,553
Total comprehensive income (loss) for the year ended December 31, 2017	\$ 96,183	\$ ( 27,630)	\$ 68,553
Transfer	( 29,540)	29,540	-
	\$ 66,643	\$ 1,910	\$ 68,553
Balance at December 31, 2017	\$ 808,736	\$ 46,379	\$ 855,115
Balance at January 1, 2018	\$ 808,736	\$ 46,379	\$ 855,115
Surplus (deficit) for the year ended December 31, 2018	\$ 99,419	\$ ( 18,003)	\$ 81,416
Total comprehensive income (loss) for the year ended December 31, 2018	\$ 99,419	\$ ( 18,003)	\$ 81,416
Transfer	( 24,646)	24,646	-
	\$ 74,773	\$ 6,643	\$ 81,416
Balance at December 31, 2018	\$ 883,509	\$ 53,022	\$ 936,531

Note : Included in the General fund as at December 31, 2018 of \$53,022 (2017 : \$46,379) were funds for running Kids' Dream, an internal segment of the organisation which aims to promote and educate the children's right among persons who are under 18, and the future uses of such funds are designated to the ongoing operations of Kids' Dream.

See accompanying notes

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

(Expressed in Hong Kong dollars)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Surplus for the year	\$ 81,416	\$ 68,553
Adjustment for:		
Depreciation charges	<u>5,331</u>	<u>10,039</u>
Operating surplus before working capital changes	\$ 86,747	\$ 78,592
Decrease (increase) in sponsorship fund receivables	42,940	( 185,494)
(Increase) decrease in prepayment and deposits paid	( 873)	57,803
Increase in accounts payable and accrued expenses	24,002	822
Increase (decrease) in unutilised sponsorship funds	<u>283,192</u>	<u>( 30,595)</u>
Net cash generated from (used in) operating activities	<u>\$ 436,008</u>	<u>\$ ( 78,872)</u>
Cash flows from financing activities		
Payment of finance lease obligations	<u>\$ ( 4,708)</u>	<u>\$ ( 5,136)</u>
Net cash used in financing activities	<u>\$ ( 4,708)</u>	<u>\$ ( 5,136)</u>
Net increase (decrease) in cash and cash equivalents	\$ 431,300	\$ ( 84,008)
Cash and cash equivalents at the beginning of the year	<u>711,650</u>	<u>795,658</u>
Cash and cash equivalents at the end of the year (Note 5)	<u><u>\$ 1,142,950</u></u>	<u><u>\$ 711,650</u></u>

See accompanying notes

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED  
香港兒童權利委員會有限公司  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

1. The organisation

The Hong Kong Committee on Children's Rights Limited was incorporated in Hong Kong on December 28, 1995 not having a share capital. The address of its principal place of business and registered office is located at 3/F, Western District Community Centre, 36A Western Street, Sai Ying Pun, Hong Kong.

The organisation is a charitable body solely for the purpose to promote, advance and ensure the rights of children in Hong Kong.

The financial statements are presented in Hong Kong dollar which is also the functional currency of the organisation.

2. Basis of preparation and significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standard for Private Entities (HKFRS for Private Entities) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, unless otherwise stated.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of individual item below \$2,000 is charged to the profit or loss in the period in which it is incurred.

The cost of items of property, plant and equipment comprises the following :

- (i) the purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- (ii) any costs directly attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by management;
- (iii) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having using the item during a particular period for purposes other than to produce inventories during the period.

## 2. Basis of preparation and significant accounting policies (cont'd)

### (b) Property, plant and equipment (cont'd)

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. Assets held under finance leases, for which there is no reasonable certainty that the organisation will obtain ownership at the end of the lease term, are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the relevant lease. The following annual rates are used for the depreciation of property, plant and equipment :

Office equipment	:	20%
Computer equipment	:	20%
Furniture and fixtures	:	20%
Leasehold improvements	:	20%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### (c) Impairment of non-financial assets, other than inventories

At each reporting date, property, plant and equipment, intangible assets and investments in subsidiaries and associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### (d) Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original of the receivables.

### (e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other 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, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the organisation's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## 2. Basis of preparation and significant accounting policies (cont'd)

### (f) Payables

Payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### (g) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of the organisation are measured using the currency of the primary economic environment in which the organisation operates ("the functional currency"). The financial statements are presented in Hong Kong dollar which is the organisation's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

### (h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the organisation and the revenue and its relevant costs, if applicable, can be measured reliably on the following bases :

(i) Donations, function income and fundraising income are accounted for on cash basis for non-committed income (except for unutilised sponsorship funds as stated in Note 2(i) below) while on accrual basis for committed income to match with the recognition of the corresponding expenditure in the same accounting period.

(ii) Membership fee income are recognised on cash basis.

#### (i) Unutilised sponsorship funds

Unutilised sponsorship funds are recognised as income over the relevant periods to match with the related costs which they are intended to cover on a systematic matching basis.



## 2. Basis of preparation and significant accounting policies (cont'd)

### (j) Employee costs

#### (i) Short term employee costs

Salaries, commissions and allowances and other costs to the organisation of non-monetary benefits are accrued in the year in which when the associated services are rendered by the employees of the organisation.

#### (ii) Employee leave entitlements

Employee entitlements to annual and compensation leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual and compensation leave as a result of services rendered by employees up to the reporting date.

Employee entitlements to sick leave and maternity or paternity are not recognised until the time of leave.

#### (iii) Defined contribution retirement plan

The organisation operates a defined contribution retirement scheme in Hong Kong under the Hong Kong Mandatory Provident Fund Schemes Ordinance, the assets of which are held in separate trustee-administered funds. The scheme is funded by payments from employees and by the organisation. The organisation's contributions to the defined contribution scheme are expensed as incurred.

#### (iv) Termination benefits

Termination benefits are recognised when, and only when, the organisation demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

### (k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the organisation. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognized as assets of the organisation at the fair value of the leased property (or if lower, the presented value of minimum lease payments ) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payments and receipts under operating leases are dealt with in profit or loss on a straight-line basis over the term of the relevant lease.

### 3. Transition to the HKFRS for Private Entities

#### Application of the HKFRS for Private Entities

The company's financial statements for the year ended December 31, 2018 are its first annual financial statements prepared under accounting policies that comply with the HKFRS for Private Entities. The company applied full Hong Kong Financial Reporting Standards (HKFRSs) to prepare its financial statements prior to the application of the HKFRS for Private Entities.

The company's date of transition is January 1, 2017 and the company prepared its opening statement of financial position in compliance with the HKFRS for Private Entities at that date.

The company has applied all the mandatory exceptions but has not elected to apply any optional exemptions from full retrospective application of the HKFRS for Private Entities when preparing these financial statements in accordance with the HKFRS for Private Entities. Except for the reduction of disclosures in the financial statements, the adoption of HKFRS for Private Entities did not have any material impact on the recognition and measurement of the organisation's assets, liabilities, revenues and expenses recognised in the prior year financial statements.

### 4. Property, plant and equipment

	<u>Office equipment</u>	<u>Computer equipment</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Total</u>
<u>Cost</u>					
At January 1, 2018	\$ 92,663	\$ 64,910	\$ 17,515	\$ 337,215	\$ 512,303
Addition	25,680	-	-	-	25,680
Disposal	( 51,360)	-	-	-	( 51,360)
At December 31, 2018	<u>\$ 66,983</u>	<u>\$ 64,910</u>	<u>\$ 17,515</u>	<u>\$ 337,215</u>	<u>\$ 486,623</u>
<u>Accumulated depreciation</u>					
At January 1, 2018	\$ 91,483	\$ 55,385	\$ 16,967	\$ 337,215	\$ 501,050
Charge for the year	1,608	3,175	548	-	5,331
Written back on disposal	( 51,360)	-	-	-	( 51,360)
At December 31, 2018	<u>\$ 41,731</u>	<u>\$ 58,560</u>	<u>\$ 17,515</u>	<u>\$ 337,215</u>	<u>\$ 455,021</u>
<u>Net book value</u>					
At December 31, 2018	<u>\$ 25,252</u>	<u>\$ 6,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,602</u>
At December 31, 2017	<u>\$ 1,180</u>	<u>\$ 9,525</u>	<u>\$ 548</u>	<u>\$ -</u>	<u>\$ 11,253</u>

The net book value of property, plant and equipment held under finance lease at the end of the reporting period amounted to HK\$25,252 (2017 : HK\$Nil) and the related depreciation charge for the year amounted to HK\$428 (2017 : HK\$5,136).

5. Cash and cash equivalents

	<u>2018</u>	<u>2017</u>
Cash at bank and on hand	\$ 1,142,950	\$ 711,650
	=====	=====

6. Executive Committee members' remuneration

Executive Committee members' remuneration disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation is HK\$Nil (2017 : HK\$Nil).

7. Surplus for the year

Surplus for the year has been determined after charging the following items :

	<u>2018</u>	<u>2017</u>
Auditor's remuneration	\$ 4,000	\$ 4,000
Depreciation of property, plant and equipment	5,331	10,039
Staff costs (Note)	784,319	779,174
	=====	=====

Note : The company did not make any payment for key management personnel's remuneration for the year (2017 : HK\$Nil).

8. Unutilised sponsorship funds

The balance of unutilised sponsorship funds represents the sponsorship funds received from various charitable functions and organisations that are unutilised at the end of the reporting period.

9. Finance lease obligations

The future obligations of the organisation under a finance lease outstanding at the end of the reporting period are analysed as follows :

	<u>2018</u>	<u>2017</u>
Payable within one year	\$ 5,136	\$ 4,280
Payable in the second to fifth years inclusive	20,116	-
	-----	-----
Total minimum lease payments	\$ 25,252	\$ 4,280
Less : Future finance charges	-	-
	-----	-----
Lease payable	\$ 25,252	\$ 4,280
	=====	=====
Current portion of lease payable	\$ 5,136	\$ 4,280
	=====	=====
Non-current portion of lease payable	\$ 20,116	\$ -
	=====	=====

10. Taxation

No provision for profits tax and deferred tax are made in the financial statements as the organisation has obtained tax exemption granted under S.88 of the Hong Kong Inland Revenue Ordinance.

11. Liability of members

Every member of the organisation undertakes to contribute to the assets of the organisation in the event of the same being wound up during the time that is a member or within one year afterwards for payment of the debts and liabilities of the organisation contracted before the time at which he ceases to be a member, and of the costs, charges, and expenses, of winding up amongst themselves, such amount as may be required not exceeding the sum of HK\$100.

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2018

(FOR MANAGEMENT INFORMATION ONLY)

(Expressed in Hong Kong dollars)

	Financed by Save the Children Hong Kong	Financed by other fund sources	2018 Total	2017 Total
<u>Revenues</u>				
Save the Children Hong Kong Alliance for Children's Commission	\$ 905,109	\$ -	\$ 905,109	\$ 858,394
Other donations	-	98	98	-
Book project contribution	-	84,910	84,910	88,695
Membership fee	-	-	-	3,676
Sundry income	-	2,700	2,700	2,100
Training workshop income	-	2,313	2,313	2,369
Training package income	-	2,835	2,835	7,090
Income for Kids' Dream	-	5,095	5,095	-
Child Rights Coalition Asia	-	7,219	7,219	2,510
"New World made by KIDS" project (financed by New World Group Charity Foundation Limited)	-	-	-	14,381
Learning visit to Bhutan	-	12,505	12,505	188,838
Kids' Dream - "HorizonS"	-	-	-	13,035
Children's Council 2018	-	-	-	2,260
Child Safeguarding Movement (financed by Plan International Hong Kong)	-	218,108	218,108	-
Joint Open Statement on Children's Commission	-	45,099	45,099	-
	-	45,500	45,500	-
	\$ 905,109	\$ 426,382	\$ 1,331,491	\$ 1,183,348
Less: Expenditure	( 905,109)	( 344,966)	(1,250,075)	(1,114,795)
Surplus for the year	\$ -	\$ 81,416	\$ 81,416	\$ 68,553

THE HONG KONG COMMITTEE ON CHILDREN'S RIGHTS LIMITED

香港兒童權利委員會有限公司

DETAILED PROFIT AND LOSS ACCOUNT (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2018

(FOR MANAGEMENT INFORMATION ONLY)

(Expressed in Hong Kong dollars)

	Financed by Save the Children Hong Kong	Financed by other fund sources	2018 Total	2017 Total
<b>EXPENDITURE</b>				
Staff costs				
Salaries and welfare	\$ 744,585	\$ -	\$ 744,585	\$ 735,260
MPF contribution	37,027	307	37,334	36,746
Staff development	2,400	-	2,400	7,168
	<u>\$ 784,012</u>	<u>\$ 307</u>	<u>\$ 784,319</u>	<u>\$ 779,174</u>
Administrative expenses				
Audit fee	\$ 4,000	\$ -	\$ 4,000	\$ 4,000
Building management fee	7,484	-	7,484	7,172
Electricity and air-conditioning charges	6,505	-	6,505	10,618
Printing and stationery	5,672	224	5,896	6,982
Postage and courier	1,748	-	1,748	331
Telephone and communication	17,952	-	17,952	17,073
Transportation and travelling	753	-	753	214
Insurance	5,291	-	5,291	3,505
Depreciation	-	5,331	5,331	10,039
Repairs and maintenance	4,092	-	4,092	1,290
Cleaning fee	13,516	-	13,516	11,521
Rent and rates	995	-	995	3,980
Bank charges	1,210	-	1,210	350
Membership fee	-	-	-	1,880
	<u>\$ 69,218</u>	<u>\$ 5,555</u>	<u>\$ 74,773</u>	<u>\$ 78,955</u>

## 香港兒童權利委員會有限公司

## DETAILED PROFIT AND LOSS ACCOUNT (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2018

(FOR MANAGEMENT INFORMATION ONLY)

(Expressed in Hong Kong dollars)

	Financed by Save the Children Hong Kong	Financed by other fund sources	2018 Total	2017 Total
Programme expenses				
Promotion and publicity	\$ 18,300	\$ -	\$ 18,300	\$ 17,400
Alliance for Children's Commission	-	20	20	400
Programme and operating expenses for Kids' Dream Roundtable - Children's Commission in Hong Kong	24,646	576	25,222	32,400
"New World made by KIDS" project Child Rights Coalition Asia	-	12,505	12,505	72,056
- Regional Children's Meeting	-	-	-	14,659
Child rights research	1,857	-	1,857	-
Learning visit to Bhutan	-	-	-	13,035
Children's Council 2018	-	218,108	218,108	-
Child Safeguarding Movement	-	45,099	45,099	-
Joint Open Statement on Children's Commission	-	62,382	62,382	-
	<u>\$ 44,803</u>	<u>\$ 338,690</u>	<u>\$ 383,493</u>	<u>\$ 250,458</u>
Other charges				
Sundries	<u>\$ 7,076</u>	<u>\$ 414</u>	<u>\$ 7,490</u>	<u>\$ 6,208</u>
	<u>\$ 7,076</u>	<u>\$ 414</u>	<u>\$ 7,490</u>	<u>\$ 6,208</u>
Total expenditure	<u>\$ 905,109</u>	<u>\$ 344,966</u>	<u>\$ 1,250,075</u>	<u>\$ 1,114,795</u>

Disclosures required under Section 436 of the Hong Kong Companies Ordinance

- a. The detailed profit and loss account relating to the years ended December 31, 2018 and 2017 as shown on pages 18 to 20 does not constitute the organisation's specified financial statements for both years as defined in Section 436 of the Hong Kong Companies Ordinance but is derived therefrom.
- b. The organisation has delivered the specific financial statements for the year ended December 31, 2017 to the Registrar of Companies and will deliver the specified financial statements for the year ended December 31, 2018 in due course.
- c. Auditor's reports have been prepared on the specified financial statements for the both years.
- d. The auditor's reports for the both years :
  - i. were not qualified or otherwise modified;
  - ii. did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the reports; and
  - iii. did not contain a statement under Section 406(2) or 407(2) or (3) of the Hong Kong Companies Ordinance.