

ACCA CHARITABLE FOUNDATION LIMITED
Reports and Financial Statements
For the year ended 31 December 2007



Independent auditors' 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 6, which comprise the balance sheet as at 31 December 2007, 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 Hong Kong 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 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 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 2007 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 Hong Kong 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
19 March 2008

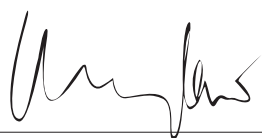
Statement of income and expenditure year ended 31 December 2007

	Notes	2007 HK\$	2006 HK\$
Income			
Net surplus from the Charity Fun Day	5	1,383,353	476,653
Subsidy from The Association of Chartered Certified Accountants		270,000	120,000
Rebate donations from ACCA/ Dah Sing Bank affinity credit cards	3	99,911	100,009
Other donations		37,720	56,456
Bank interest		20,950	13,880
		1,811,934	766,998
Expenditure			
Bank charges		(300)	(300)
Charitable donations	6	(978,570)	(336,945)
Other expenses		(7,840)	(3,000)
		(986,710)	(340,245)
Surplus for the year		825,224	426,753

Balance sheet at 31 December 2007

	2007 HK\$	2006 HK\$
Current assets		
Donation and other receivables	499,990	4,850
Cash and bank balances	1,202,219	1,208,818
	1,702,209	1,213,668
Current liabilities		
Charity Fun Day income received in advance	-	(342,683)
Sundry payable	(6,000)	-
	(6,000)	(342,683)
Net assets	1,696,209	870,985
Surplus funds	1,696,209	870,985

The financial statements were approved by the Board of Governors of the company and authorised for issue on 19 March 2008 and are signed on its behalf by:



May Law
Governor



Morison Chan
Governor

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

Cash flow statement

year ended 31 December 2007

	2007 HK\$	2006 HK\$
Cash flows from operating activities		
Surplus for the year	825,224	426,753
Adjustments for:		
Bank interest income	(20,950)	(13,880)
Operating surplus before working capital changes	804,274	412,873
(Increase) / Decrease in donation and other receivables	(495,140)	10,000
Decrease in Charity Fun Day income received in advance	(342,683)	(74,907)
Increase in sundry payable	6,000	–
Net cash (used in) / generated from operation	(27,549)	347,966
Cash flows from investing activities		
Bank interest income	20,950	13,880
Net (decrease) / increase in cash and cash equivalents	(6,599)	361,846
Cash and cash equivalents at the beginning of year	1,208,818	846,972
Cash and cash equivalents at the end of year	1,202,219	1,208,818
Analysis of the balances of cash and equivalents		
Cash and bank balances	1,202,219	1,208,818

Statement of changes in equity

year ended 31 December 2007

	Surplus funds HK\$
Balance at 31 December 2005	444,232
Surplus for the period 2006	426,753
Balance at 31 December 2006	870,985
Surplus for the period	825,224
Balance at 31 December 2007	1,696,209

Notes to the financial statements

year ended 31 December 2007

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 to raise 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.

During the period, the new/revised standards and interpretations of HKFRS below were adopted.

HKFRS 7 Financial Instruments: Disclosures

The adoption of these standards and interpretations did not result in substantial changes to the Company's accounting policies. In summary:

- 1) The adoption of HKFRS 7 expanded the disclosure in the financial statements about the significance of the Company's financial instruments and the nature and extent of risks arising from those instruments.

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.

Donations, sponsorships and subsidy from the Association of Chartered Certified Accountants are recognised on an accrual basis.

Rebate donations from affinity credit cards are recognised on an accrual basis.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

c. CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash without notice and which were within three months of maturity when acquired. For the purposes of the cash flow statement, cash equivalents would also include advances from banks repayable within three months from the date of the advance.

d. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to various kinds of financial risks. These risks are minimised by the Company's financial management policies and practices described below.

The credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Policies are established to regularly monitor current and expected liquidity requirements and its compliance with lending covenant, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from financial institutions to meet its liquidity requirements in the shorter and longer term.

As a result of operating the business internationally, there is exposure to foreign currency risk. The management ensures that the net exposure is kept to an acceptable level and will consider appropriate hedging measures where necessary.

Notes to the financial statements

year ended 31 December 2007

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

The company is a charitable organisation within the meaning of Section 88 of the Hong Kong Inland Revenue Ordinance and accordingly is exempted from Hong Kong Profits Tax.

5. NET SURPLUS FROM THE CHARITY FUN DAY

	2007 HK\$	2006 HK\$
Income		
Rickshaw race	368,340	161,408
Donations	100,744	18,549
Games stalls takings	127,750	85,500
Sponsorships	1,330,600	477,000
	1,927,434	742,457
Expenditure		
Advertisement	9,000	4,000
Printing and postage	14,121	5,649
Production cost	9,626	7,311
Professional fee	454,000	220,000
Sundry expenses	14,533	12,635
Transportation	17,788	8,545
Trophies and medals	25,013	7,664
	544,081	265,804
	1,383,353	476,653

6. CHARITABLE DONATIONS

	2007 HK\$	2006 HK\$
The Hong Kong PHAB Association	256,000	72,000
Harmony House Limited	87,670	80,250
Hong Kong Sheng Kung Hui St. Christopher's Home	226,000	-
The Boys' Brigade, HK	82,000	-
The Hong Kong Council of Social Service	100,000	-
Senior Citizen Home Safety Association	43,800	-
The Parents' Association of Pre-school Handicapped Children	183,100	-
The Spastics Association of HK	-	120,000
Hans Andersen Club Limited	-	34,800
Int'l Social HK Branch	-	19,895
Donation to the HKICPA playstreet event	-	10,000
	978,570	336,945

7. GOVERNORS' REMUNERATION

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

	2007 HK\$	2006 HK\$
Fees	-	-
Other emoluments	-	-
	-	-

8. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS

The credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Normally, the Company does not obtain collateral from customers.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

	2007 HK\$	2006 HK\$
Neither past due nor impaired	495,140	4,850
Past due: Over 1 year	4,850	–
	499,990	4,850

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Company. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Company does not hold any collateral over these balances.

Policies are established to regularly monitor current and expected liquidity requirements and its compliance with lending covenant, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from financial institutions to meet its liquidity requirements in the shorter and longer term.

Details of the remaining contractual maturities of the financial liabilities of the Company as at the balance sheet date were as follows:

	2007 HK\$	2006 HK\$
Total amounts of contractual undiscounted obligations:		
Charity Fun Day income received in advance	–	342,683
Sundry payable	6,000	–
	6,000	342,683
Due for payment:		
Within 1 year	6,000	342,683

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As the net financial assets or liabilities denominated in foreign currencies is not significant, the Company's income and operating cash flows are substantially independent of changes in exchange rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Company has no significant interest-bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The market price risk is the risk that the fair value or future cash flows of a financial instrument traded in the market will fluctuate because of changes in market prices.

As the Company has no significant equity investments, the company's profit after tax, retained earning and other components of equity are substantially independent of changes in market prices.

9. COMPARATIVE FIGURES

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

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Governors on 19 March 2008.

